Stock Code: 2397

DFI Inc.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

For the Years Ended December 31, 2021 and 2020

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

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

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Independent Auditors' Report

The Board of Directions and Shareholders DFI Inc.

Audit Opinion

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

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of other matter), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and its financial performance and its cash flows for the year then ended 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 of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters that we judge should be communicated in the audit reports are stated as follows:

I. Inventory valuation

For accounting policies related to inventory valuation, please refer to Note IV (VII) of the parent company only financial statements; for uncertainty of accounting estimates and assumptions of inventory valuation, please refer to Note V (I) of the parent company only financial statements; for situation of inventory price loss provision, please refer to Note VI (VI) of the parent company only financial statements.

Key audit matters are stated as follows:

Inventories are subsequently measured by the lower of cost and net realizable value Due to the rapid development of technology, the original material in stock may no longer meet the market demand, or the sales price may fall due to competition, resulting in the cost of inventory may exceed its net realizable value; the assessment of net realizable value involves the subjective judgment of the management, and, therefore, the inventory evaluation is one of the material evaluation matters for us to perform the audit of the parent company only financial statements of the Company.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include reviewing the inventory aging reports provided by the Company and analyzing situation in inventory age changes; checking the correctness of the inventory aging reports by sampling; evaluating the inventory valuation and confirming that it has been processed in accordance with the established accounting policies of the Company; assessing the reasonableness of the impairment losses on inventories which was set aside by the management previously.

II. Investments in subsidiaries

For accounting policies related to investments in subsidiaries and business combinations, please refer to Note IV (IX) and (XVIII) of the parent company only financial statements; for description of new significant accounts related to acquisition of subsidiaries, please refer to Note VI (VIII) of the parent company only financial statements.

Key audit matters are stated as follows:

For the year ended December 31, 2021, the Company acquired 35.09% of Brainstorm Corporation's ordinary shares and special shares, and according to the investment agreement between both parties and the Articles of Association of Brainstorm Corporation, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors, and, therefore, it has taken control of this company. Due to the accounting treatment of business combination, the management needs to determine the fair value of identifiable acquired assets and liabilities assumed; the process involves many assumptions and estimates with complexity, so the addition of investments in subsidiaries for this period is one of the material evaluation matters for us to perform the parent company only financial statements of the Company.

The audit procedures to process for the above:

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

III. Impairment Assessment of Goodwill Arising from Investments in Subsidiaries

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

Key audit matters are stated as follows:

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

The audit procedures to process for the above:

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

Other Matters

The financial statements of partial investment accounted for using the equity method listed in the Company's parent company only financial statements were not audited by us but by other certified public accountants. Therefore, our opinions expressed in the parent company only financial statements regarding the amounts of that investee company are according to other certified public accountants' audit reports. The recognized amount of investment accounted for using the equity method of that investee company were $363,409 thousand in New Taiwan Dollars (same as below) as of December 31, 2021, accounting for 5.60% of the total assets, and the share of profit or loss of the subsidiary accounted for using the equity method was $4,624 thousand for the year ended December 31, 2021, accounting for 0.66% of the net income before tax.

The financial statements of the Company for the year ended December 31, 2020 were audited by other accountants, which issued an audit report with unqualified opinion plus other matter paragraph on March 22, 2021.

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Certified Public Accountant:

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

March 3, 2022

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

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		2021.12.31		2020.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note VI (I))	$ 240,866	4	255,401	5
1110	Financial assets at fair value through profit or loss - current (Notes VI (II))	27,137	-	28,221	1
1136	Financial assets at amortized cost - current (Notes VI (IV) & VIII)	1,500	-	1,500	-
1170	Net of notes receivable and accounts receivable (Notes VI (V) & (XXI))	244,269	4	276,532	6
1180	Trade receivable - related parties (Notes VI (V), (XX) & VII)	382,231	6	468,580	10
1200	Other receivables (Notes VI (V) & VII)	22,692	-	9,926	-
130X	Inventories (Notes VI (VI))	1,104,949	17	446,537	10
1410	Prepayments	30,619	1	18,562	-
1470	Other current assets	591	-	436	-
	Total current assets	2,054,854	32	1,505,695	32
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VI (III))	41,259	1	29,920	1
1550	Investment under equity method (Note VI (VIII)	3,124,831	48	2,196,984	46
1600	Property, plant and equipment (Notes VI (IX) & VII)	1,066,375	16	936,096	20
1755	Right-of-use assets (Notes VI (X) & VII)	123,454	2	2,287	-
1780	Intangible assets (Notes VI (VIII) (XI) & VII))	10,522	-	7,256	-
1840	Deferred tax assets (Notes VI (XVII)	39,170	1	50,433	1
1990	Other non-current assets	23,597	-	5,243	-
	Total non-current assets	4,429,208	68	3,228,219	68
	Total assets	**$ 6,484,062**	**100**	**4,733,914**	**100**

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

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

DFI Inc.

Balance Sheets (Continued from the previous page)

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Liabilities and equity	2021.12.31 Amount	%	2020.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Notes VI (XII))	$ 700,000	11	660,000	14
2120	Financial liabilities at fair value through profit or loss-current (Notes VI (II))	65	-	3,825	-
2130	Contract liabilities - current (Note VI (XX))	36,729	1	5,237	-
2170	Trade payables	694,084	11	472,171	10
2180	Trade payables to related parties (Note VII)	89,898	1	143,209	3
2200	Other payables (Note VI (XXI) & VII)	269,196	4	194,696	4
2230	Current income tax liabilities	12,682	-	85,686	2
2250	Provisions - current (Note VI (XV))	46,247	1	56,827	1
2280	Lease liabilities - current (Note VI (XIV) & VII)	14,282	-	2,302	-
2399	Other current liabilities	4,490	-	3,659	-
	Total current liabilities	1,867,673	29	1,627,612	34
	Non-current liabilities:				
2540	Long-term borrowings (Notes VI (XIII))	1,300,000	20	-	-
2570	Deferred tax liabilities (Notes VI (XVII)	104,503	2	91,237	2
2580	Contract liabilities - non-current (Note VI (XIV) & VII)	114,023	2	-	-
2640	Net defined benefit liabilities - non-current (Note VI (XVI))	40,584	1	39,962	1
	Total non-current liabilities	1,559,110	25	131,199	3
	Total liabilities	3,426,783	54	1,758,811	37
	Equity (Note VI (VIII) & (XVIII)):				
3110	Share capital - Ordinary shares	1,144,889	17	1,146,889	24
3200	Capital surplus	655,744	10	679,735	14
3300	Retained earnings	1,371,470	21	1,235,993	26
3400	Other equity	(114,824)	(2)	(74,607)	(1)
3500	Treasury shares	-	-	(12,907)	-
	Total equity	3,057,279	46	2,975,103	63
	Total liabilities and equity	**$ 6,484,062**	**100**	**4,733,914**	**100**

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

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

DFI Inc.

Statements of Comprehensive Income

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		2021		2020	
		AMOUNT	%	Amount	%
4000	**Net operating revenue (Notes VI (XX), VII & XIV)**	$ 3,460,880	100	3,777,182	100
5000	**Operating costs (Note VI (VI) (IX) (X) (XI) (XIV)(XV) (XVI) (XXI), VII & XII)**	(2,798,695)	(81)	(2,837,330)	(75)
	Gross Profit	662,185	19	939,852	25
5910	Gain on realized (unrealized) sales	18,792	1	(2,761)	-
	Gross Profit	680,977	20	937,091	25
	Operating expenses (Note VI (V) (IX) (X) (XI) (XIV) (XVI) (XXI), VII & XII):				
6100	Selling and marketing expenses	(187,585)	(5)	(175,055)	(5)
6200	General and administrative expenses	(142,804)	(4)	(111,710)	(3)
6300	Research and development expenses	(268,180)	(8)	(253,242)	(7)
6450	Gain on reversal of expected credit loss	4,483	-	(4,556)	-
6000	**Total operating expenses**	(594,086)	(17)	(544,563)	(15)
	Net operating income	86,891	3	392,528	10
	Non-operating income and expenses (Note VI (VII)(XIV) (XXII) & VII):				
7100	Interest income	744	-	1,915	-
7010	Other income	19,156	-	26,112	1
7020	Other gain and loss	459,837	13	(8,237)	-
7050	Finance costs	(11,499)	-	(3,652)	-
7070	Shares of profit (loss) of subsidiaries accounted for using the equity method	143,637	4	84,632	2
	Total non-operating income and expenses	611,875	17	100,770	3
7900	**Profit before tax**	698,766	20	493,298	13
7950	**Loss: Income tax expense (Note VI (XVII))**	(82,863)	(2)	(88,252)	(2)
8200	**Net profit for the period**	615,903	18	405,046	11
	Other comprehensive income (Note VI (XVII) & (XVIII)):				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	(839)	-	(5,658)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	11,339	-	(4,955)	-
8330	Shares of other comprehensive income of subsidiaries accounted for using the equity method - items not to be reclassified to profit or loss	661	-	497	-
8349	Income tax relating to items that will not be reclassified	168	-	1,131	-
		11,329	-	(8,985)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translating the financial statements of foreign operations	(51,761)	(1)	(13,952)	(1)
8399	Income tax relating to items that may be reclassified	-	-	-	-
		(51,761)	(1)	(13,952)	(1)
	Other comprehensive income (loss) for the period	(40,432)	(1)	(22,937)	(1)
8500	**Total comprehensive income (loss) for the period**	**$ 575,471**	**17**	**382,109**	**10**
	Earnings per share (Unit: In New Taiwan Dollars and Note VI (XIX))				
9750	**Basic earnings per share**	**$**	**5.38**		**3.54**
9850	**Diluted earnings per share**	**$**	**5.33**		**3.51**

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

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

DFI Inc.

Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

			Retained earnings				Other Equity Items				
	Share capital - Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance as of January 1, 2020	$ 1,146,889	679,644	725,424	52,616	657,399	1,435,439	(69,158)	14,890	(54,268)	(12,907)	3,194,797
Net profit for the period	-	-	-	-	405,046	405,046	-	-	-	-	405,046
Other comprehensive income (loss) for the period	-	-	-	-	(4,327)	(4,327)	(13,952)	(4,658)	(18,610)	-	(22,937)
Total comprehensive income (loss) for the period	-	-	-	-	400,719	400,719	(13,952)	(4,658)	(18,610)	-	382,109
Profit distribution:											
Legal reserve	-	-	63,094	-	(63,094)	-	-	-	-	-	-
Appropriation of legal reserve	-	-	-	1,652	(1,652)	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(572,444)	(572,444)	-	-	-	-	(572,444)
Changes in ownership of equity in subsidiaries	-	91	-	-	-	-	-	-	-	-	91
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(29,450)	(29,450)	-	-	-	-	(29,450)
Subsidiaries' disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	1,729	1,729	-	(1,729)	(1,729)	-	-
Balance as of December 31, 2020	**1,146,889**	**679,735**	**788,518**	**54,268**	**393,207**	**1,235,993**	**(83,110)**	**8,503**	**(74,607)**	**(12,907)**	**2,975,103**
Net profit for the period	-	-	-	-	615,903	615,903	-	-	-	-	615,903
Other comprehensive income (loss) for the period	-	-	-	-	(215)	(215)	(51,761)	11,544	(40,217)	-	(40,432)
Total comprehensive income (loss) for the period	-	-	-	-	615,688	615,688	(51,761)	11,544	(40,217)	-	575,471
Profit distribution:											
Legal reserve	-	-	37,246	-	(37,246)	-	-	-	-	-	-
Appropriation of legal reserve	-	-	-	20,339	(20,339)	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(320,569)	(320,569)	-	-	-	-	(320,569)
Cash distributed from capital reserve	-	(22,898)	-	-	-	-	-	-	-	-	(22,898)
Cancellation of treasury shares	(2,000)	(1,093)	-	-	(9,814)	(9,814)	-	-	-	12,907	-
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(149,828)	(149,828)	-	-	-	-	(149,828)
Balance as of December 31, 2021	**$ 1,144,889**	**655,744**	**825,764**	**74,607**	**471,099**	**1,371,470**	**(134,871)**	**20,047**	**(114,824)**	**-**	**3,057,279**

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

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

DFI Inc.

Statements of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	2021	2020
Cash flows from operating activities:		
Net profit before tax for the period	$ 698,766	493,298
Adjustment item:		
Adjustments for		
Depreciation expenses	74,567	57,995
Amortization expenses	5,089	6,450
Expected credit (gain on reversal) loss	(4,483)	4,556
Evaluation losses of financial assets measured at fair value through gains and losses	829	(17,988)
Interest expense	11,499	3,652
Interest income	(744)	(1,915)
Dividend income	(999)	(1,260)
Shares of profit of subsidiaries accounted for using the equity method	(143,637)	(84,632)
Loss on disposal of property, factory and equipment	1,652	-
Gain on disposal of non-current assets held for sale	(469,360)	-
Gain (loss) on unrealized (realized) sales	(18,792)	2,761
Unrealized foreign exchange loss	-	15,080
Gain on lease amendment	(4)	-
Total revenue, expense and loss items	(544,383)	(15,301)
Changes in assets/liabilities related to business activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in financial assets measured at fair value through profit or loss	(726)	20,476
Decrease (increase) in notes receivable and accounts receivable	36,746	(29,813)
Decrease in accounts receivable - related parties	86,349	79,600
Decrease (increase) in other receivables	(12,766)	1,528
Decrease (increase) in inventories	(658,412)	114,774
Decrease (increase) in prepayments	(12,057)	8,283
Decrease (increase) in other current assets	(155)	1,618
Total net changes in assets related to operating activities	(561,021)	196,466
Net change in liabilities related to operating activities:		
Decrease in financial liabilities measured at fair value through profit or loss	(3,760)	-
Increase in contract liabilities	31,492	1,744
Increase (decrease) in trade payables	221,913	(145,627)
Decrease in accounts payable - related parties	(53,311)	(101,896)
Increase (decrease) in other receivables	47,976	(47,701)
Decrease(increase) in liability reserve	(10,580)	842
Increase in other current liabilities	831	1,326
Decrease in net defined benefit liabilities	(217)	(1,995)
Total net changes in liabilities related to business activities	234,344	(293,307)
Total net changes in assets and liabilities related to operating activities	(326,677)	(96,841)
Total adjustment items	(871,060)	(112,142)
Cash (used in) generated from operations	(172,294)	381,156
Interest received	744	1,915
Interest paid	(11,238)	(3,489)
Income tax paid	(131,170)	(73,057)
Net cash (used in) generated from operating activities	(313,958)	306,525

(Continued on the next page)

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

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

DFI Inc.

Statements of Cash Flows (Continued from the previous page)

January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	2021	2020
Cash flows from investing activities:		
Purchase of financial assets at amortized cost	-	(500)
Proceeds from sale of financial assets at fair value through profit or loss	981	5,699
Acquisition of investments accounted for using the equity method	(1,016,944)	(164,563)
Proceeds from disposal of non-current assets held for sale	542,245	-
Purchase of Property, plant and equipment	(239,046)	(19,092)
Proceeds from disposal of property, plant and equipment	1,470	-
Decrease in refundable deposits	243	-
Purchase of intangible assets	(8,355)	(6,033)
Increase in other non-current assets	(18,597)	-
Dividends received	51,597	29,588
Net cash used in investing activities	(686,406)	(154,901)
Cash flows from financing activities:		
Proceeds from short-term borrowings	4,810,000	2,320,000
Repayments of short-term borrowings	(4,770,000)	(1,960,000)
Long-term borrowings	1,750,000	-
Repayments of long-term borrowings	(450,000)	-
Repayment of the principal portion of lease	(10,704)	(2,282)
Cash dividends distributed	(343,467)	(572,444)
Net cash (used in) generated from financing activities	985,829	(214,726)
Decrease in cash and cash equivalents for the current period	(14,535)	(63,102)
Cash and cash equivalents at the beginning of the period	255,401	318,503
Cash and cash equivalents at the end of the period	**$ 240,866**	**255,401**

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

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

DFI Inc.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2021 and 2020
(The amount shall be dominated in thousands of NTD, unless otherwise specified)

I. Company History

On July 14, 1981, DFI Inc. (the "Company") was established and registered under the approval from the Ministry of Economic Affairs, having the registered address of 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The Company is principally engaged in the manufacturing and sales of boards and computer components for industrial computers.

II. Date and Procedures of Authorization of Financial Statements

The parent company only financial statements were approved and issued by the Board of Directors on March 3, 2022.

III. Application of New and Amended Standards and Interpretations

(I) Effect of adopted newly issued and revised standards and interpretations endorsed by the Financial Supervisory Commission (hereafter referred to as the "FSC")

Since January 1, 2021, the Company has adopted below newly amended IFRSs which does not have a material impact on the parent company only financial statements.

- Amendments to IFRS 4 "Extension of Temporary Exemption from Application of IFRS 9"
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Changes in Interest Rate Indicators - Phase 2"
- Amendments to IFRS 16, "Rent Concessions Related to COVID-19 After June 30, 2021"

(II) Impact of not adopting IFRS endorsed by the FSC

The Company has evaluated that the aforementioned amendments effective on January 1, 2022, do not have a material impact on the parent company only financial statements.

- Amendment to IAS 16 "Property, plant, and equipment: price before fulfillment of expected usage state"
- Amendment to IAS 37 "Loss-making contract - cost of contract performance"
- Annual Improvement to IFRS Standards 2018-2020
- Amendment to IFRS 3 "Reference to the Conceptual Framework"

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

The standards and interpretations released and amended by the International Accounting Standards Board but not yet endorsed by FSC with potential impact to the Company are as follows:

New issued or amended standards	Main amendments	Effective date of issuance by IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendment was made to improve consistency in the application of these standards to assist companies in determining whether debt or other liabilities with an indefinite maturity date should be classified as current (due or likely to be due within one year) or non-current on the balance sheet. The amendment also clarifies the classification of debt that may be settled by conversion into equity.	January 1, 2023

The Company is in the process of evaluating the impact on its financial position and performance by adopting the standards and interpretations mentioned above, and will disclose relevant impacts when the evaluation is completed.

The Company has evaluated that the below standards released and amended but not yet endorsed by the FSC do 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 17 "Insurance Contracts" and IFRS 17
- Amendment to IAS 1 "Disclosure of Accounting Policies"
- Amendment to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 “Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction”

IV. Summary of Significant Accounting Policies

The significant accounting policies applied for the parent company only financial statements are as follows. The accounting policies below have been applied consistently to all periods presented in the parent company only financial statements.

(I) Statement of Compliance

The parent company only financial statements have been prepared in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II) Basis of Preparation

1. Measurement Basis

Except for below material items of the balance sheet, the parent company only financial statements has been prepared on the basis of historical cost:

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

financial instruments)；

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

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

2. Functional currency and presentation currency

The Company takes the currency of the primary economic environment in which it operates as the functional currency. The parent company only financial statements of the Company are presented in the New Taiwan, Dollars, the functional currency of the Company. The amount of financial information in New Taiwan Dollars shall be dominated in thousands of NTD, unless otherwise specified.

(III) Foreign Currency

1. Foreign currency transaction

Foreign currency transactions shall be converted into the functional currency using the exchange rate on the date of the transaction. Foreign currency monetary items are subsequently converted into functional currency at the exchange rate of the date at the end of each reporting period (hereafter referred to as the “reporting date”). Non-monetary items denominated in foreign currencies measured at fair value are converted into functional currency at the exchange rate on the date when the fair value is determined, and non-monetary items denominated in foreign currencies measured at historical cost are converted at the exchange rate on the transaction date.

Foreign currency translation differences arising from translation are normally recognized in profit or loss, but equity instruments designatedly measured as fair value through other comprehensive income 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 converted to the representation currency of the parent company only financial statements at the exchange rate on the reporting date. All income and expense items are converted to the representation currency of the parent company only financial statements at the current average exchange rate, and the difference is recognized as other comprehensive income.

In the event of a loss of control, joint control, or significant influence due to the disposal of foreign operations, the cumulative amount of exchange difference related to the foreign operations is reclassified into profit or loss. In the case of partial disposal of a subsidiary that includes foreign operations, the cumulative amount of related exchange difference is reallocated to non-controlling interests based on a pro-rata basis. In the case of partial disposal of an associate or joint control that includes foreign operations, the cumulative amount of related exchange difference is reallocated to profit or loss on a pro-rata basis.

If there is no repayment plan and it is not possible to repay in the foreseeable future, foreign currency exchange gain or loss arising from monetary items of receivables or payables of foreign operations are regarded as part of the foreign operations' net investment and recognized as other comprehensive income.

(IV) Standards for Classification of Current and Non-current Assets and Liabilities

Assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:

1. Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets primarily held for trading purposes;
3. Assets that are expected to be realized within twelve months from the balance sheet date; or
4. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:

1. Liabilities that are expected to be paid off within the normal operating cycle;
2. Liabilities primarily held for trading purposes;
3. Liabilities that are to be paid off within twelve months from the balance sheet date; or
4. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(V) Cash and cash equivalents

Cash includes cash on hand, checking deposit, and demand deposit. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial Instruments

The accounts receivable and debt securities issued were originally recognized when they were generated. all other financial assets and financial liabilities shall be recognized when the Company becomes a party of the financial instrument contract. Financial assets that are not measured at fair value through profit or loss (other than accounts receivable that do not contain a significant financing component) or financial liabilities are originally measured at fair value plus the transaction costs directly attributable to the acquisition or issuance. The accounts receivable that do not contain a significant financing component are measured at transaction prices.

1. Financial assets

   Financial assets are classified into the following categories: Financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. When purchasing or selling financial assets in accordance with trading practices, the trade date accounting is adopted.

   The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets from the next reporting period.

   (1) Financial assets at amortized cost

   Financial assets which satisfy the following two conditions and not designated to be measured at fair value through profit or loss are measured at amortized cost.

   - It is held within a business model whose objective is to hold assets to collect contractual cash flows.
   - Such financial assets' contractual terms generate cash flows on a specified date basis which are solely payments on the principal amounts outstanding and interest amounts outstanding.

   After initial recognition, such financial assets are measured at amortized cost less impairment losses using the effective interest method. Interest income, foreign currency profit or loss and impairment loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

   Investment in debt instruments which satisfy the following two conditions and not designated to be measured at fair value through profit or loss are measured at FVTOCI.

   - For a financial asset held in a business model with the purpose of generating contractual cash flows and for sale thereof.
   - Such financial assets' contractual terms generate cash flows on a specified date basis which are solely payments on the principal amounts outstanding and interest amounts outstanding.

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

   An investment through debt instrument is subsequently measured at fair value. Interest income using the effective interest method, foreign currency profit or loss, and impairment loss are recognized as profit or loss, and the remaining net gain or loss is recognized as other comprehensive income. As derecognition, other comprehensive income accumulated under equity shall be reclassified to profit or loss.

   An investment through equity instrument is subsequently measured at fair value. Dividend income is recognized in profit or loss, unless it clearly represents a recovery of part of the investment cost, and the remaining net gain or loss is recognized as other comprehensive income. As derecognition, other comprehensive income accumulated under equity shall be reclassified to retained earnings instead of profit or loss. Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

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

All financial assets not classified as amortized cost or measured at fair value through other comprehensive income described as above are measured at fair value through profit and loss, including derivatives. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or measured at fair value through other comprehensive income, as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(4) Impairment of Financial Assets

The Company recognizes loss allowances for ECL on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivables, other receivables, and guarantee deposits paid, etc.).

The consolidated company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Bank deposits for which credit risk (that is the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

  Allowance for loss of accounts receivable is measured by the amount of expected credit losses during the existence period.

Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date (or within a shorter period, if the period of existence of financial instruments is less than 12 months).

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

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

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

Allowance for loss of the financial assets at amortized cost is deducted from the carrying amount of assets.

The total carrying amount of a financial asset is directly written off to the extent that the recovery of financial assets can not be reasonably foreseeable either partially or in full. The Company analyzes the timing and amount of the write-off individually on the basis of whether it can reasonably be expected to be recovered. The Company expects that the amount written off will not be materially reversed. However, the financial assets that are written off could still be subject to enforcement activities in order to compliance with the Company's procedures for recovery of amounts due.

(5) Derecognition of Financial Assets

The Company only derecognizes such assets if the contractual rights from the cash flow of the financial assets are terminated, if the financial assets have been transferred and almost all the risks and remunerations of the ownership of the assets have been transferred to other enterprises, or if it neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset.

When the Company signs a transaction to transfer financial assets, if it retains all or almost all risks and rewards of ownership of the transferred assets, such financial assets will continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

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

(2) Equity transactions

Equity instruments refer to any contracts containing the Company's residual interest after subtracting all liabilities from assets. Equity instruments issued by the Company shall be recognized at the amount equal to the consideration acquired less the direct costs of issuance.

(3) Treasury shares

When buying back the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sales or re-issuance of treasury stocks, the amount received is recognized as an increase in equity, and the remaining or loss generated by the transaction is recognized as a capital reserve or retained surplus (if the capital reserve is insufficient for the offsetting).

(4) Financial liabilities

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, derivatives, or designated at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value. All related net benefits and losses, including any interest expenses, are recognized as profit or loss.

Other financial liabilities are measured at amortized cost by the effective interest method. Interest income and foreign currency profit or loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged or canceled, or has expired. When the terms of financial liabilities are modified and the cash flow of the modified liabilities is significantly different, the original financial liabilities are excluded and the new financial liabilities are recognized at fair value based on the revised terms. When derecognizing financial liabilities, the difference between the carrying amount of a financial liability and the consideration paid (including all transferred non-cash assets or liabilities) is recognized in non-operating income and expenses.

(6) Offsetting of financial assets and liabilities

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

3. Derivative financial instruments

The Company holds derivative financial instruments to avoid exposure to foreign currency risks. Derivative instruments are initially measured at fair value, and transaction costs are recognized as profit or loss. Subsequent measurements are based on fair value, and the resulting benefits or losses are directly recognized as 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. The inventories is based on the weighted-average method and includes all costs of purchase, costs of production and manufacture or processing, and other costs incurred in bringing them to their existing location and condition. The allocation of fixed production overheads for the purpose of their inclusion in the costs of finished goods and work in progress is based on the higher of the normal capacity or the actual capacity of the production facilities, and the allocation of variable production overheads is based on the actual capacity. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(VIII) Non-current assets held for sale

Non-current assets or disposal group consisting of assets and liabilities are classified as held for sale if its carrying amount will be recovered principally through a sale rather than continuing use. For this to be the case, the non-current asset or disposal group must be available for immediate sale in its present condition, and its sale must be highly probable to complete within one year. Components of the asset or disposal group are remeasured in accordance with the accounting policies of the Company prior to their original classification as non-current assets held for sale. After being classified as non-current assets held for sale, they are measured at the lower of carrying amount and fair value less costs to sell. The impairment loss of any disposal group is allocated to reduce the carrying amount of any goodwill, then to reduce the carrying amounts of the other assets and liabilities pro rata on the basis; however, such loss should not be allocated to the assets out of the scope of IAS 36 Impairment of Assets, and the aforementioned items continue to be measured in accordance with the accounting policies of the Company.

Impairment loss recognized for original classification as held for sale and gains and losses subsequently re-measured are recognized as profit or loss; however, the gain of recovery shall not exceed the accumulated impairment loss that has been recognized.

No more depreciation or amortization for the intangible assets and property, plant and equipment when they are classified as non-current assets held for sale. In addition, the equity method shall bot be adopted once the investment accounted for using equity method is classified as non-current assets held for sale.

(IX) Investments in subsidiaries

In preparation of parent company only financial statements, the Company uses equity method for investments with controlling interests. The carrying amount of an investment in a subsidiary includes the goodwill identified at the time of the initial investment, less any accumulated impairment losses, which are accounted as a reduction in the carrying amount of the investment. Under equity method, the allocation amount of current income and other comprehensive income of parent company only financial statements is the same as the current income and other comprehensive income in the financial statements prepared on a consolidated basis are attributable to the owner of the parent company. Owners' equity in parent company only financial statements is the same as the equity attributable to owners of the parent company in financial statements prepared on a consolidated basis.

If change of ownership in the Company's subsidiaries does not lead to loss of control, the change is considered equity transaction between shareholders.

(X) Property, Plant and Equipment

1. Recognition and measurement

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

   As the useful life of property, plant and equipment varies, they are deemed as independent items (main components) for treatment.

   The gain or loss arising from the disposal of an item of property, plant and equipment shall be recognized as non-operating income and expenses.

2. Subsequent cost

   Subsequent cost is only capitalized when the future economic benefits are likely to flow into the Company.

3. Depreciation

   Depreciation is calculated based on the cost of assets minus the residual value, and the straight-line method is recognized in profit or loss within the estimated useful life of each component. Except for land that is not depreciated, the estimated useful life is as below:

Machinery equipment: 3 ~ 10 years; Office and other equipment: 2 ~ 10 years. In addition, buildings and property are depreciated according to the estimated useful life of their major components: Main Building and ancillary Buildings, 20 ~ 60 years; other ancillary electromechanical power equipment and engineering system. 3 ~ 10 years.

The depreciation method, useful life and residual values are reviewed at each reporting date, and the effect of any change in estimates is deferred for adjustment.

(XI) Leases

The Company evaluates whether the contract is a lease or contains a lease upon the conclusion of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

1. Lessee

The Company recognizes the right-of-use asset and lease liability upon the inception of the lease. The right-of-use asset is initially measured at cost, which includes the original measured amount of the lease liability, adjusts any lease payments paid on or before the inception of the lease and adds the original direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring its location or underlying asset, and deducting any lease incentive.

The right-of-use asset is subsequently depreciated on a straight-line basis between the inception of the lease and the end of the end-of-life of the right-of-use asset or the end of the lease period. In addition, the Company regularly assesses whether the right-of-use asset is impaired and treats any impairment loss that has occurred, as well as cooperating to adjust the right-of-use asset when the lease liability is remeasured.

Lease liabilities are originally measured by the present value of the lease payments that have not been paid at the inception of the lease. If the implicit interest rate of the lease is easy to determine, it is applied as the discount rate. If it is not easy to determine, the incremental borrowing rate of the Company is used. Generally speaking, the Company adopts the incremental borrowing rate as the discount rate.

Lease payments in the measurement of lease liabilities include:

(1) Fixed benefits, including substantial fixed benefits;
(2) Variable lease payments dependent upon certain indicators or rates are measured by the indicators or rates used at the inception of the lease;
(3) The residual value guarantee expected to be paid; and
(4) When reasonably determined that the purchase option or lease termination option will be exercised, the exercise price or the penalty payable.

The lease liability is subsequently accrued by the effective interest method, and the amount is measured when the following occurs:

(1) Changes in the indicator or rate used to determine lease payments result in changes in future lease payments;
(2) Changes in the residual value guarantee expected to be paid;
(3) Changes in the evaluation of the underlying asset purchase option;
(4) Changes in the estimate of whether to exercise the extension or termination option and the assessment of the lease period;
(5) Modification of lease subject, scope or other terms.

When the lease liability is remeasured due to changes in the aforementioned indicator or rate used to determine lease payments, changes in the residual value guarantee, and changes in the evaluation of purchase, extension or termination options, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

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 lease and the remeasured amount of the lease liability is recognized in profit or loss.

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

For the short-term lease and the lease of low-value underlying assets leased, the Company chooses not to recognize the right-of-use assets and lease liabilities, but the related lease payments are recognized on a straight-line basis as expenses during the lease period.

2. Lessor

As a lessor, the Company classified leases on lease inception date based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset, and those of transfered shall be classified as finance leases while those of not transfered shall be classified as operating leases. The Company considers relevant specific indicators including whether the lease term is for the major part of the economic life of the underlying asset through assessment.

As a sublease lessor, the Company handles head lease and sublease transactions separately, and it evaluates the classification of sublease transactions based on the right-of-use assets arising from the head lease. If the head lease is a short-term lease and a recognition exemption applies, its sublease transaction should be classified as an operating lease.

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

(XII) Intangible assets

The acquisition of purchased software by the Company is measured at cost less accumulated amortization and accumulated impairment losses. The amortization amount is accrued on a straight-line basis over the estimated useful life of 3 to 5 years, and the amortization charge is recognized in profit or loss.

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be adjusted when necessary.

(XIII) Impairments of non-financial assets

The Company assesses on each reporting day 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 there is any sign of impairment, an estimate is made of its recoverable amount. An impairment test is conducted on goodwill on a yearly basis or when there are indicators of possible impairment.

For the purpose of impairment test, a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or asset groups is used as the smallest identifiable asset group. Goodwill acquired in 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 of the merger.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell, and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks for the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment loss is recognized immediately in profit or loss, and first reduces the carrying amount of the goodwill of the cash-generating unit, and then reduces the carrying amount of each asset in proportion to the carrying amount of other assets in the unit.

The impairment loss of goodwill will not be reversed. Non-financial assets other than goodwill will only be reversed if they do not exceed the carrying amount (less depreciation or amortization) determined when no impairment loss had been recognized for the asset in the previous year.

(XIV) Provisions

The recognition of provisions represents a present obligation as a result of a past event that makes it probable that the Company will need to outflow economic resources to settle the obligation in the future, and a reliable estimate of it can be made.

Warranty provisions are recognized as the sales for the products, and the provisions are estimated by the weighting of historical warranty information and all possible outcomes by their associated probabilities.

(XV) Revenue recognition

Revenue is measured based on the consideration which is expected to be entitled in exchange for transferring goods or services. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a client, and the description of the Company according to the major revenue items is as follows:

1. Sales of goods

   The Company recognizes revenue when control of the goods has transferred to customers. The control of the goods has transferred when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract terms, and the Company has objective evidence that all criteria for acceptance have been satisfied.

   The Company is obliged to refund the defective product due to the sale of the product, and warranty provisions have been recognized for this obligation.

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

2. Financial components

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

(XVI) Employee benefits

1. Defined contribution plans

   Obligations for contributions to defined contribution pension plans are recognized as employee benefits expenses under profit or loss for the periods during which services are rendered by employees.

2. Defined benefit plans

   The net obligation under a defined benefit plan is calculated for each benefit plan by the discounted amount of future benefit amounts earned by the employee for service in the current or prior periods, less the fair value of any plan assets. The discount rate is determined by reference to the market yield at the end of the reporting period of government bonds with a maturity date close to the Company's net obligation period, and it is denominated in the same currency as the expected benefit payment. Net obligations for defined benefit plans are actuated annually by a qualified actuary using the projected unit credit method.

   When the benefits of the plan are improved, the related expenses shall be immediately recognized as profit or loss due to the increase in benefits relating to the employee's past service.

   Remeasurements of the net defined benefit liability (asset) include (1) actuarial gains and losses; (2) the return on plan assets, excluding amounts included in net interest of the net defined benefit liability (asset); and (3) changes in the effect of the asset ceiling, excluding amounts included in net interest of the net defined benefit liability (asset). Remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income, and transferred to other equity in the current period.

   During reduction or liquidation, the Company recognizes the reduction or liquidation gain or loss of the defined benefit plan. The reduction or liquidation gain or loss includes any change in the fair value of the plan asset and the change in the present value of the defined benefit obligation.

3. Short-Term Employee Benefits

   Short-term employee benefit obligations are measured at the undiscounted amount and recognized as expenses when the service has been rendered. Regarding the amount expected to be paid under the short-term cash bonus or dividend plan, a liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(XVII) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable income (loss) for the year calculated using the statutory tax rate on the reporting date, as well as tax adjustments related to prior years. The amount reflects income tax-related uncertainties (if any), and it is based on the statutory tax rate at the reporting date or the tax rate of substantive legislation to measure the best estimate of the amount expected to be paid or received.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. The temporary differences arising from below situation are not recognized as deferred income tax liabilities:

1. Assets or liabilities originally recognized in a transaction that is not a business combination and affects neither accounting profit nor taxable income (loss) at the time of the transaction;
2. The temporary differences arising on investments in subsidiaries, associates and joint venture that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future; and
3. The taxable temporary differences arising from the initial recognition of goodwill.

A deferred tax asset should be recognized for the carry forward of unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized. Such unused tax credits and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized.

Deferred tax is measured at the tax rate at which the temporary difference is expected to reverse, using the tax rates that have been enacted or substantively enacted at the reporting date, and has reflected tax-related uncertainties, if any.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1. The entity has the legal right to settle tax assets and liabilities on a net basis; and
2. The deferred tax assets and liabilities are related to one of the taxpayers subject to income tax levied by the same taxation authority as below:
   (1) levied by the same taxing authority; or
   (2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

(XVIII) Business combinations

The Company adopts acquisition method to deal with the newly acquired subsidiary, and it measures goodwill by the fair value of the transfer consideration on the acquisition date, including the amount attributable to any non-controlling interests of the acquiree, less the net amount of identifiable assets acquired and liabilities assumed (usually the fair value). If the balance after deduction is negative, the Company reassesses whether it has correctly identified all assets acquired and liabilities assumed before recognizing gain on bargain purchase in profit or loss.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either acquisition-date fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's net identifiable assets. All other non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

Except for those instruments classified as equity instruments, acquisition-related costs incurred in a business combination should be expensed as incurred.

If the initial accounting for the business combination is incomplete by the end of the reporting period in which the combination occurs, the Company shall recognize in its financial statements provisional amounts for the items for which the accounting is incomplete, and it shall retrospectively adjusts or recognizes additional assets or liabilities during the measurement period to reflect new information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

In a business combination achieved in stages, the Company should remeasure its previously held equity interest in the acquiree at acquisition date fair value and recognize the resulting gain or loss, if any, in profit or loss. the amount of the change in the value of the acquiree's equity that was recognized in other comprehensive income prior to the acquisition date shall be recognized on the same basis as would be required if the Company had disposed; if it is appropriate to reclassify the equity to profit or loss when disposing of it, the amount shall be reclassified to profit or loss.

(XIX) Earnings per Share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares represents employee compensation through the issuance of shares.

(XX) Segment Information

The Company has disclosed information of operating segments in consolidated financial statements. Therefore, related information is not disclosed in the parent company only financial statements.

V. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the parent company only financial statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the Management shall make judgments, estimates and assumptions, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from estimates.

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

The uncertainties in the following assumptions and estimates have a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year and reflect the impact of COVID-19, as follows:

(I) Inventory valuation

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

(II) Acquisition of subsidiaries

The fair value of the identifiable intangible assets (mainly trademark) obtained the Company acquisition of subsidiaries is the provisional amount, and the final valuation of these assets has not been completed yet. The Company will continuously review the final valuation of the aforesaid assets during the measurement period. If the Company obtains the new information related to the facts and events that already exist on the acquisition date within one year after the acquisition date and can thus identify the adjustment to the aforesaid provisional amount or any additional liability reserve existing on the acquisition date, the Company will modify the accounting treatment of the acquisition. For details, please see Note VI (VIII).

(III) Impairment Assessment of Goodwill Arising from Investments in Subsidiaries

The carrying amount of the investment in the subsidiary includes the goodwill identified at the time of the initial investment. The assessment of goodwill impairment process relies on the subjective judgment of the Company, including identification of the cash-generating unit, the allocation of goodwill to relevant cash-generating units, and measurement of the recoverable amount of the relevant cash-generating unit. All changes in economic conditions or changes in company strategies may cause significant changes in the assessment results.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	2021.12.31	2020.12.31
Cash on hand and petty cash	$ 23	268
Demand deposits and check deposits	240,843	255,133
	$ 240,866	255,401

(II) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS -

CURRENT

	2021.12.31	2020.12.31
Financial assets mandatorily classified as at fair value through profit or loss:		
Non-hedging derivative instruments:		
Forward foreign exchange contracts	$ 74	226
Foreign exchange Swaps	920	42
Subtotal	994	268
Non-derivative financial assets:		
Fund beneficiary certificates	26,143	27,953
	$ 27,137	28,221
Financial liabilities held for trading:		
Derivative financial instruments:		
Forward foreign exchange contracts	$ 65	-
Foreign exchange Swaps	-	3,825
Subtotal	$ 65	3,825

Please refer to Note 6 (XXII) for the amount recognized in profit or loss measured at fair value. The Company engages in derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities, which are reported as financial assets or liabilities at fair value through profit or loss because hedge accounting is not applied. The details of the outstanding derivative financial instruments as of the reporting date is as follows:

1. Forward foreign exchange contracts

2021.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Buy JPY/Sell USD	JPY34,034	2022.01
Buy RMB/Sell USD	RMB6,156	2022.01
Buy Euro/Sell in USD	EUR1,258	2022.01

2020.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Buy JPY/Sell USD	JPY246,778	2021.01

2. Foreign exchange swaps

2021.12.31

Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Swap in NTD/swap out USD	USD8,930	2021.01

2020.12.31		
Currency	**Contractual amount (NTD in thousands)**	**Maturity period**
Swap in NTD/swap out USD	USD 19,310	2021.01

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

	2021.12.31	2020.12.31
Equity instruments measured at fair value through other comprehensive income:		
Stocks of domestic listed (OTC) companies:	$ 41,259	29,920

The Company holds such equity instrument investments for the strategic investment purpose, instead of trading purpose. Therefore, they have been designated as measured at fair value through other consolidated profits and losses.

The Company didn't dispose of the aforesaid strategic investments for the years ended December 31, 2021 and 2020, so the income and loss accumulated in such periods were not transferred within the equities in whatever manner.

(IV) Financial Assets at Amortized Cost - current

	2021.12.31	2020.12.31
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) Notes and accounts receivable and other receivables

	2021.12.31	2020.12.31
Notes receivable	$ -	1
Accounts receivable	244,269	281,014
Accounts receivable from related parties	382,231	468,580
Loss: Allowance for loss	-	(4,483)
	$ 626,500	745,112
Other receivables	$ 16,153	4,738
Other receivables - related parties	6,539	5,188
	$ 22,692	9,926

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:

2021.12.31

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

	2020.12.31		
	Book-entry amounts of accounts receivable	Weighted average expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	$ 276,453	0%	-
1-30 days overdue	77	1.52%	1
61～90 days overdue	8	67.16%	6
Overdue more than 90 days	4,476	100%	4,476
	$ 281,014		4,483

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

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

	2021	2020
Beginning Balance	$ 4,483	-
Impairment loss for the period	-	4,556
Reversal of impairment loss for the period	(4,483)	-
Unrecoverable amount written off for current year	-	(73)
Ending balance	$ -	4,483

(VI) Inventories

	2021.12.31	2020.12.31
Raw materials	$ 890,009	289,841
Work in progress	110,574	46,838
Manufactured goods and commodities	73,239	84,805
Goods in Transit	23,210	5,038
Outsourced processing products	7,917	20,015
	$ 1,104,949	446,537

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

	2021	2020
Cost of inventory sold	$ 2,791,432	2,830,799
Inventory price loss	2,422	774
Loss for inventory obsolescence	4,841	5,757
	$ 2,798,695	2,837,330

The aforesaid loss for inventory price loss is recognized when the Company's inventories are written down to the net realizable value at the end of the period.

(VII) Non-current assets held for sale

The Board of Director of the Company adopted the proposal to sell the plant and buildings in Xizhi District on August 6, 2021, and has signed a contract to deal with matters related to the sale at a total sale price of NTD550,000,000 (including tax). These real estate properties, with a book value of NTD72,885,000, have been transferred to non-current assets held for sale. These real estate have completed the transfer procedure on November 2021, and have been recognized as net gain on disposal of NTD469,360,000, which are accounted under other gains and losses.

(VIII) Investment under equity approach

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

	2021.12.31	2020.12.31
Subsidiary	$ 3,124,831	2,196,984

1. Subsidiary

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

2. Acquisition of the subsidiary - Brainstorm Corporation (Brainstorm)

   (1) Consideration transferred for acquisition of the subsidiary

   On May 1, 2021 (acquisition date), the Company acquired 35.09% of the equities, including ordinary shares and special shares, in Brainstorm, and according to the investment agreement between both parties and the Articles of Association of Brainstorm, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors of Brainstorm. Therefore, the Company has taken control of Brainstorm and included Brainstorm in the consolidated entities as of the acquisition date. The Company has acquired Brainstorm mainly in order to implement the channel first strategy and accelerate the development in the American market.

(2) Net identifiable assets acquired

The fair values of the identifiable assets and liabilities of Brainstorm acquired on May 1, 2021 (acquisition date) are detailed as follows:

Transfer consideration:		
Cash		$ 501,582
Plus: Non-controlling interests (measured by the proportion of non-controlling interests in net identifiable assets)		641,433
Loss: Fair value of net identifiable assets acquired:		
Cash and cash equivalents	$ 460,381	
Net accounts receivable	191,888	
Inventories	803,582	
Prepayments and other current assets	4,613	
Property, Plant and Equipment	7,026	
Right-of-use assets	51,212	
Intangible assets - Trademark	562,692	
Intangible assets - Computer Software	129	
Refundable deposits	4,573	
Accounts payables	(784,344)	
Other payables	(143,260)	
Current income tax liabilities	(2,055)	
Other current liabilities	(311)	
Lease liabilities (including current and non-current)	(51,212)	
Deferred income tax liabilities	(112,538)	
Long-term borrowings	(4,187)	988,189
Goodwill		**$ 154,826**

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

The fair value measurement of the above-mentioned assets and liabilities acquired by the Company is provisional, and it will be continuously reviewed for the aforesaid matters during the measurement period. If the Company obtains the new information related to the facts and events that already exist on the acquisition date within one year after the acquisition date and can thus identify the adjustment to the aforesaid provisional amount or any additional liability reserve existing on the acquisition date, the Company will modify the accounting treatment of the acquisition.

3. Changes in percentage of ownership interests in subsidiaries that do not result in losing control over the subsidiaries

For the years ended December 31, 2021 and 2020, the Company acquired additional equity interests in Ace Pillar and AEWIN at NTD515,360,000 and NTD131,140,000, respectively. As of December 31, 2021 and 2020, the shareholding ratios in Ace Pillar were 48.07% and 33.56%, respectively; the shareholding ratios in AEWIN were 51.38% and 50.84%, respectively.

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

	2021	2020
Retained earnings	$ (149,828)	(29,450)

4. Impairment Assessment of Goodwill

If the investment cost of the Company's acquisition of a subsidiary exceeds the share of the identifiable assets of the investee and the net fair value share of liabilities assumed on the acquisition date, it should be listed as goodwill. If the goodwill is impaired in the parent company only financial statements, it should be recorded as a decrease in the carrying amounts of the investment accounted for using the equity method. As of December 31, 2021 and 2020, the goodwill related to business combinations uses the cash-generating unit which are listed as follows:

	2021.12.31	2020.12.31
DFI America, LLC.	$ 177,874	177,874
DFI , Co., Ltd.	9,491	9,491
Ace Pillar	7,655	7,655
Brainstorm	154,826	-
	$ 349,846	195,020

The above cash-generating unit is the smallest group of assets under management's supervision of return on investments for assets with goodwill. According to the results of the goodwill impairment assessment performed by the Company, the recoverable amount as of December 31, 2021 and 2020 were higher than its carrying amount, so no impairment loss was recognized. The recoverable amount of each cash-generating unit is determined based on the value in use, and the related key assumptions are as follows:

The key assumptions used in estimating the value in use are as follows:

	2021.12.31	2020.12.31
DFIAMERICA, LLC.:		
Operating revenue growth rate	10.62%~33.44%	11.53%~65.98%
Discount rate	7.79%	18.23%

	2021.12.31	2020.12.31
DFI Co., Ltd.:		
Operating revenue growth rate	5%~61%	(4)%~5%
Discount rate	6.17%	8.33%

	2021.12.31	2020.12.31
Ace Pillar:		
Operating revenue growth rate	12.5%~25.16%	(3)%~25%
Discount rate	10.5%	14.08%

	2021.12.31	2020.12.31
Brainstorm：		
Operating revenue growth rate	0%~8%	-
Discount rate	7.56%	-

(1) The estimated future cash flows are based on the five-year financial budgets estimated by management based on future operating plans, and cash flows beyond five years are extrapolated using an annual growth rate of 2%.
(2) The discount rate used to determine the value in use is estimated based on the weighted average cost of capital.

(IX) Property, Plant and Equipment

	Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:							
Balance on January 1, 2021	$ 461,322	489,494	202,214	10,695	29,577	-	1,193,302
Additions	-	6,840	122,329	9,029	119,821	7,290	265,309
Disposal	-	(20)	(4,913)	-	(3,597)	-	(8,530)
Reclassified to assets held for sale	(25,019)	(102,106)	-	-	-	-	(127,125)
Balance on December 31, 2021	$ 436,303	394,208	319,630	19,724	145,801	7,290	1,322,956
Balance on January 1, 2020	$ 461,322	496,067	362,848	16,822	31,350	-	1,368,409
Additions	-	7,708	3,883	375	7,437	-	19,403
Disposal	-	(14,281)	(164,517)	(6,502)	(9,210)	-	(194,510)
Balance on December 31, 2020	$ 461,322	489,494	202,214	10,695	29,577	-	1,193,302
Accumulated depreciation:							
Balance on January 1, 2021	$ -	114,464	118,004	7,486	17,252	-	257,206
Depreciation	-	17,982	30,966	2,670	7,405	-	59,023
Disposal	-	(20)	(3,159)	-	(2,229)	-	(5,408)
Reclassified to assets held for sale for the period	-	(54,240)	-	-	-	-	(54,240)
Balance on December 31, 2021	$ -	78,186	145,811	10,156	22,428	-	256,581
Balance on January 1, 2020	$ -	108,131	254,220	12,181	21,477	-	396,009
Depreciation	-	20,614	28,301	1,807	4,985	-	55,707
Disposal	-	(14,281)	(164,517)	(6,502)	(9,210)	-	(194,510)
Balance on December 31, 2020	$ -	114,464	118,004	7,486	17,252	-	257,206
Book value:							
December 31, 2021	$ 436,303	316,022	173,819	9,568	123,373	7,290	1,066,375
December 31, 2020	$ 461,322	375,030	84,210	3,209	12,325	-	936,096

(X) Right-of-use assets

	Buildings
Cost of right-of-use assets:	
Balance on January 1, 2021	$ 5,718
Additions	137,092
Decrease	(5,718)
Balance on December 31, 2021	**137,092**
Balance on January 1, 2020 (as Balance on December 31, 2020)	**$ 5,718**
Accumulated depreciation of right-of-use assets:	
Balance on January 1, 2021	$ 3,431
Depreciation	15,544
Decrease	(5,337)
Balance on December 31, 2021	**$ 13,638**
Balance on January 1, 2020	$ 1,143
Depreciation	2,288
Balance on December 31, 2020	**$ 3,431**
Book value:	
December 31, 2021	**$ 123,454**
December 31, 2020	**$ 2,287**

(XI) Intangible assets

	Computer Software
Costs:	
Balance on January 1, 2021	$ 54,951
Separate Acquisition	8,355
Balance on December 31, 2021	**$ 63,306**
Balance on January 1, 2020	$ 48,502
Separate Acquisition	6,449
Balance on December 31, 2020	**$ 54,951**
Accumulated amortization:	
Balance on January 1, 2021	$ 47,695
Amortization	5,089
Balance on December 31, 2021	**$ 52,784**
Balance on January 1, 2020	$ 41,245
Amortization	6,450
Balance on December 31, 2020	**$ 47,695**
Book value:	
Balance on December 31, 2021	**$ 10,522**
Balance on December 31, 2020	**$ 7,256**

The lists of amortization of intangible assets for the years ended December 31, 2021 and 2020 are accounted under the following items in the statement of comprehensive income:

	2021	2020
Operating costs	$ 1,108	770
Operating Expenses	3,981	5,680
	$ 5,089	**6,450**

(XII) Short-term borrowings

	2021.12.31	2020.12.31
Unsecured bank loans	**$ 700,000**	**660,000**
Unused lines of credit	**$ 1,553,600**	**2,407,000**
Interest Rate	**0.62%~0.65%**	**0.74%~0.81%**

(XIII) Long-term borrowings

		2021.12.31
Unsecured bank loans	$	1,300,000
Loss: Part due within one year		-
	$	1,300,000
Unused lines of credit	$	-
Year of maturity		112
Interest Rate		0.94%~0.99%

(XIV) Lease liabilities

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

	2021.12.31	2020.12.31
Current	$ 14,282	2,302
Non-current	$ 114,023	-

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

The amounts recognized as profit and loss are as follows:

	2021	2020
Interest expense on lease liabilities	$ 1,480	31
Short-term leases expenses and lease expenses of low-value assets	$ 6,982	494

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

	2021	2020
Total cash outflow for leases	$ 19,166	2,807

Important lease clauses:

1. Lease of houses and buildings

   The Company leased houses and buildings as office premises, warehouse, and factory buildings with the period of 2 to 9 years. Some leases include the option to extend for the same period when the lease expires.

2. Other lease

   The Company has leased office equipment and other assets with a period of no longer than 1 year. Such leases are short-term leases or leases of low-value assets, and the Company has selected to apply the provision of exemption from recognition and not recognized them as relevant right-of-use assets and lease liabilities.

(XV) Provisions for liabilities - current

	2021	2020
Balance on January 1	$ 56,827	55,985
Provisions increase for the period	10,615	842
Provisions decrease for the period	(21,195)	-
Balance on December 31	$ 46,247	56,827

The warranty provisions for products of the Company is mainly related to the sales of 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 reconciliation between the present value of the defined benefit obligations more than the fair value of the plan assets of the Company is as follows:

	2021.12.31	2020.12.31
Present value of defined benefit obligation	$ 90,202	95,307
Fair value of plan assets	(49,618)	(55,345)
Net defined benefit liabilities	$ 40,584	39,962

The defined benefit plans of the Company are contributed to the special account for labor retirement reserves of the Bank of Taiwan. Pension for each employee to which the Labor Standards Act applies are calculated on the basis of the base number of years of service and the average salary for the six months prior to retirement.

(1) Plan assets component

The pension funds are contributed by the Company in accordance with the Labor Standards Act is under the overall management of the Bureau of Labor Fund, the Ministry of Labor (hereinafter referred to as the “Bureau of Labor Fund”). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income of the fund's annual final settlement and distribution shall not be lower than the income calculated according to the local bank's interest rate of two-year fixed deposit.

As of December 31, 2021 and 2020, the balances of the special account for labor retirement reserves of the Bank of Taiwan of the Company and its domestic subsidiaries amounted to NTD49,618,000 and NTD55,345,000, respectively. The information on the utilization of the assets of the labor pension fund includes the fund's yield rate and the fund's asset allocation. Please refer to the information published on the website of the Bureau of Labor Fund for details.

(2) Changes in present value of defined benefit obligation

	2021	2020
Defined benefit obligation on January 1	$ 95,307	91,646
Service costs and interests for the period	712	1,070
Remeasurement on net defined benefit liability (asset)		
- Effect of changes in demographic assumptions	1,965	60
- Actuarial gain or loss due to experience adjustment	695	2,465
- Actuarial gain or loss due to changes in financial assumptions	(1,113)	4,690
Benefits paid by plan	(7,364)	(4,624)
Defined benefit obligation on December 31	$ 90,202	95,307

(3) Changes in fair value of plan assets

	2021	2020
Fair value of plan assets on January 1	$ 55,345	55,347
Interest income	278	438
Remeasurement on net defined benefit liability (asset)		
- Plan asset return (excluding current interests)	708	1,557
Amount contributed to plan	651	2,627
Benefits paid by plan	(7,364)	(4,624)
Fair value of plan assets on December 31	$ 49,618	55,345

(4) Changes in the effects on asset cap
The Company has no effect on asset cap of the defined benefit plans for the years ended December 31, 2021 and 2020.

(5) Expenses recognized in profit or loss

	2021	2020
Service costs for the current period	$ 235	383
Net interests of net defined benefit liabilities (assets)	199	249
	$ 434	632
Operating costs	$ 434	632

(6) Actuarial assumptions
The significant actuarial assumptions used by the Company to determine the present value of the benefit obligation at the reporting date are as follows:

	2021.12.31	2020.12.31
Discount rate	0.625%	0.5%
Future salary increases	2.50%	2.50%

The Company expects to pay NTD3,396,000 to the defined benefit plan within one year after the reporting date for the year ended December 31, 2021. The weighted-average duration of defined benefit plan is 9.9 years.

(7) Sensitivity analysis

Effects on the present value of defined benefit obligation due to changes in the major actuarial assumptions are as follows:

		Effect on defined benefit obligation	
		Increase by 0.25%	**Decrease by 0.25%**
December 31, 2021			
Discount rate	$	(2,206)	2,289
Future salary increases		2,208	(2,141)
December 31, 2020			
Discount rate		(2,465)	2,560
Future salary increases		2,468	(2,389)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability is the same. The method of sensitivity analysis and the method of calculation on net defined benefit obligation at the balance sheet date are the same. The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

2. Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the personal labor pension account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company's pension costs under the defined contribution plan were NTD19,988,000 and NTD20,265,000 for the years ended December 31, 2021 and 2020, respectively.

(XVII) Income taxes

1. Income tax expense

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

		2021	**2020**
Current income tax expenses			
Current Income	$	58,531	85,860
Current income tax from adjustment of prior period		(365)	(395)
Current income tax expenses		58,166	85,465
Deferred income tax expenses		24,697	2,787
	$	**82,863**	**88,252**

The amount of income tax expenses (benefits) recognized by the Company in other comprehensive income for the years ended December 31, 2021 and 2020 was as follows:

	2021	2020
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	$ 168	1,131

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

	2021	2020
Profit before tax	$ 698,766	493,298
Income tax at the Company's domestic tax rate	$ 139,753	98,660
Domestic investment income accounted for using the equity method	(14,295)	(9,414)
Gains on land transaction exempt from profit-seeking enterprise income tax	(92,777)	-
Income tax from adjustment of prior period	(365)	(395)
Other non-taxable income	(292)	(575)
Land value increment tax	45,800	-
Others	5,039	(24)
	$ 82,863	88,252

2. Deferred tax assets and liabilities
   (1) Recognized deferred tax assets and liabilities
   The changes in deferred tax assets and liabilities are as follows:
   Deferred income tax assets:

	Allowance for inventory loss	Provisions for liabilities - current	Net defined benefit liabilities	Unrealized gross sale profit between associates	Financial assets at fair value through profit or loss	Others	Total
January 1, 2021	$ 12,125	11,365	7,175	10,658	3,530	5,580	50,433
Debit (credit) income statement	499	(2,116)	(44)	(3,758)	(3,530)	(2,482)	(11,431)
Debit (credit) other comprehensive income	-	-	168	-	-	-	168
December 31, 2021	**$ 12,624**	**9,249**	**7,299**	**6,900**	**-**	**3,098**	**39,170**
January 1, 2020	$ 11,943	11,197	6,442	10,106	2,919	3,574	46,181
Debit (credit) income statement	182	168	(398)	552	611	2,006	3,121
Debit (credit) other comprehensive income	-	-	1,131	-	-	-	1,131
December 31, 2020	**$ 12,125**	**11,365**	**7,175**	**10,658**	**3,530**	**5,580**	**50,433**

Deferred income tax liabilities:

	Temporary differences related to investments in subsidiaries	Difference between finance and taxes from fixed asset	Others	Total
January 1, 2021	$ 88,013	3,224	-	91,237
Debit (credit) income statement	14,432	(1,352)	186	13,266
December 31, 2021	**$ 102,445**	**1,872**	**186**	**104,503**
January 1, 2020	$ 80,500	4,620	209	85,329
Debit (credit) income statement	7,513	(1,396)	(209)	5,908
December 31, 2020	**$ 88,013**	**3,224**	**-**	**91,237**

3. The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2019.

(XVIII) Capital and other equities

1. Ordinary shares and treasury shares

As on December 31, 2021 and 2020, the total authorized capital of the Company was NTD1,772,000,000, which was divided into 177,200,000 shares at NTD10 each. The number of issued shares were 114,489,000 shares and 144,689,000 shares respectively. The share capital reserved for the issuance of the exercise of employee share options was 20,000,000 shares.

The numbers of outstanding ordinary shares were all 114,489,000 shares from January 1 to December 31, 2021 and 2020, after the Company bought the treasury stocks of 200,000 shares.

From November 2018 to January 2019, the Company bought back 200,000 ordinary shares of the Company at an average buyback price of NTD64.53 each from the centralized trading market. The Company will transfer the shares bought back this time to others, including employees of the controlled subsidiaries or affiliates of the Company who satisfy certain conditions, once or in multiple transactions within three years after the buyback date. Treasury shares held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights.

On November 5, 2021, the Board of Directors of the Company adopted the resolution to implement capital reduction by canceling 200 thousand shares of treasury stock yet to be transferred to employees pursuant to the Securities and Exchange Act. With December 28, 2021 as the base date, the capital reduction involved the cancellation of 200,000 shares amounting to NTD2,000,000, and the amount of paid-in capital after capital reduction was NTD1,144,889,000. The relevant change registration has been completed.

2. Capital surplus

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

		2021.12.31	2020.12.31
Share premium	$	625,371	649,362
Recognized changes in percentage of ownership interests in subsidiaries		5,962	5,962
Asset disposal income		808	808
Others		23,603	23,603
	$	655,744	679,735

Pursuant to the provisions of the Company Act, the capital reserve shall be first used to recover the loss before it is distributed as the realized capital reserve to the shareholders based on their respective shareholding ratios in the form of new shares or cash. If it is cash, then the Board of Directors is authorized to make resolutions and report to the shareholders' meeting. The realized capital reserve as termed in the preceding sentence includes the proceeds from the shares issued at a premium over the face value and the income from the acceptance of donations. Pursuant to the provision of the processing standard for negotiable securities offering and issuance by issuers, the capital reserve 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 dividends policy

Pursuant to the provision of Articles of Association of the Company, if there is any surplus in the final accounts, it shall first accrue the tax, recover the accumulated loss and then set aside 10% as the legal surplus reserve, except when the legal surplus reserve has reached the paid-in capital of the Company. If there is any surplus after the special surplus reserve is set aside or reversed in accordance with the law, the Board of Directors shall make the profit distribution plan for the surplus together with the accumulated undistributed profit and submit it to the Shareholders' Meeting for dividend distribution. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if the earnings distribution shall be in the form of cash dividends. Pursuant to the provisions of the Articles of Association of the Company, the profit distribution plan made by the Board of Directors shall consider the general dividend level in the industry, adopt the balanced dividend policy and follow the principle of prudence in distribution, but the cash dividend to the shareholders shall be no lower than 15% of the total dividend to the shareholders, pursuant to the provisions of the Articles of Association of the Company. According to the Articles of Association of the Company on August 20, 2021, if a surplus totaling up to 2% of capital is recorded in the annual final accounts of the Company, the amount of dividends distributed shall be no lower than 10% of the distributable earnings for the year, and the amount of annual cash dividend distributed shall be no lower than 10% of the total amount of cash and stock dividends distributed for the year.

(1) Legal reserve

Pursuant to the provision of the Company Act, when the Company makes no loss, the Company shall distribute the legal surplus reserve in the form of new shares or in cash to the extent that such legal reserve exceeds 25% of the total paid-in capital. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if which as mentioned in the preceding paragraph shall be in the form of cash.

(2) Special reserve

Pursuant to the regulations issued by the Financial Supervisory Commission, when distributing the profit available for distribution, the Company shall accrue the special surplus reserve in the same amount out of the profit in the current period and the undistributed profit in the previous period against net deductibles incurred in the current year and listed in the shareholders' equity, and for the deductibles of other shareholders' equity accumulated in the previous period, the Company shall not distribute the special surplus reserve in the same amount accrued out of the undistributed profit in the previous period. If other deductibles of shareholders' equity are reversed in future, the Company shall distribute the profit with the reversed part.

4. Profit distribution

The amounts of cash dividends for the distribution of earnings for 2020 and 2019 which were resolved by the Company's Board of Directors on May 6, 2021 and May 6, 2020, respectively, were as follows:

	2020		2019	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends distributed to owners of common stock:				
Cash dividends	$ 2.8	320,569	5.0	572,444

Under the dividend distribution plan for 2020, the Company will distribute a cash dividend at NTD0.2 per share with the capital reserve of NTD22,898,000. The information regarding the profit distribution can be obtained from the open information monitoring website.

The of cash dividends for the distribution of earnings for 2021 which were resolved by the Company's Board of Directors on March 3, 2022 was as follows:

	2021	
	Dividend per share (NTD)	**Amount**
Dividends distributed to owners of common stock:		
Cash dividends distributed to owners of ordinary shares by unappropriated earnings	$ 3.2	366,364

Under the dividend distribution plan for 2021, the Company will distribute a cash dividend at NTD0.4 per share with the capital reserve of NTD45,796,000. The information regarding the profit distribution can be obtained from the open information monitoring website.

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 on January 1, 2021	$ (83,110)	8,503	(74,607)
Exchange difference from conversion of net assets of foreign operating organizations	(51,761)	-	(51,761)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	11,339	11,339
Shares of other comprehensive income of subsidiaries accounted for using the equity method	-	205	205
Balance on December 31, 2021	$ (134,871)	20,047	(114,824)
Balance on January 1, 2020	$ (69,158)	14,890	(54,268)
Exchange difference from conversion of net assets of foreign operating organizations	(13,952)	-	(13,952)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(4,955)	(4,955)
Disposal of financial assets at fair value through other comprehensive income of investee	-	(1,729)	(1,729)
Shares of other comprehensive income of subsidiaries accounted for using the equity method	-	297	297
Balance on December 31, 2020	$ (83,110)	8,503	(74,607)

(XIX) Earnings per Share

1. Basic earnings per share

	2021	2020
Net profit attributable to ordinary shareholders of the Company	$ 615,903	405,046
Weighted average number of outstanding ordinary shares (in thousand shares)	114,489	114,489
Basic earnings per share (NTD)	$ 5.38	3.54

2. Diluted earnings per share

	2021	2020
Net profit attributable to ordinary shareholders of the Company	$ 615,903	405,046
Weighted average number of outstanding ordinary shares (in thousand shares)	114,489	114,489
Impacts of potential ordinary shares with dilution effect (in thousand shares):		
Impact of employee stock compensation	1,003	746
Weighted average number of outstanding ordinary shares (after adjusting the number of dilution potential common shares) (in thousand shares)	115,492	115,235
Diluted earnings per share (NTD)	$ 5.33	3.51

(XX) Revenue from customer contracts

1. Breakdown of income

	2021	2020
Main products and services:		
Industrial computer cards and systems	$ 3,080,959	3,493,378
Others	379,921	283,804
	$ 3,460,880	3,777,182

2. Balance of contracts

	2021.12.31	2020.12.31	2020.1.1
Notes and accounts receivable (including related parties)	$ 626,500	749,595	846,509
Loss: Allowance for loss	-	(4,483)	-
	$ 626,500	745,112	846,509
Contract liabilities	$ 36,729	5,237	3,493

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 on January 1, 2021 and 2020 were recognized in the income in an amount of NTD4,656,000 and NTD2,828,000 for the years ended ended December 31, 2021 and 2020, respectively.

(XXI) Employees compensation and remunerations of directors

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

The Company has estimated the employees' remunerations at NTD53,437,000 and NTD37,720,000, and estimated the directors' remunerations at NTD5,685,000 and NTD4,013,000 for the years ended December 31, 2021 and 2020. The Company has made these estimates by multiplying the pre-tax profit of respective period before the remunerations of employees and directors are deducted and the distribution ratios of the remunerations of employees and directors, and recognized these remunerations as the operating cost or operating expense in respective 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 above-mentioned employees' compensation and the directors' remuneration are consistent of the Company with the distribution plan resolved by the Board of Directors, and they have been fully distributed in cash. Please refer to the TWSE MOPS website for relevant information.

(XXII) Non-operating income and expenses

1. Interest income

	2021	2020
Interest on bank deposit	$ 233	1,052
Interest income from financial assets measured at amortized cost	24	151
Interest income on financial assets measured at fair value through profit or loss	487	712
	$ 744	1,915

2. Other income

	2021	2020
Rental income	$ 5,581	5,612
Dividend income	999	1,260
Others	12,576	19,240
	$ 19,156	26,112

3. Other gain and loss

	2021	2020
Loss on disposal of property, plant and equipment	(1,652)	-
Gain on disposal of non-current assets held for sale (Note 6 (VII))	469,360	-
Net loss on foreign exchange	(7,287)	(26,225)
Gain on valuation of financial assets and liabilities	619	17,988
Other expenditures	(1,203)	-
	$ 459,837	(8,237)

4. Finance costs

	2021	2020
Bank interest expenses	$ 10,019	3,621
Financial expenses on lease liabilities	1,480	31
	$ 11,499	**3,652**

(XXIII) Financial Instruments

1. Classification of financial instruments

(1) Financial assets

	2021.12.31	2020.12.31
Financial assets at fair value through profit or loss - current	27,137	28,221
Financial assets at fair value through other comprehensive income - non-current	41,259	29,920
Financial assets at amortized cost:		
Cash and cash equivalents	240,866	255,401
Financial assets at amortized cost - current	1,500	1,500
Notes receivable, accounts receivable, and other receivables (including related parties)	649,192	755,038
Refundable deposits	142	385
Subtotal	891,700	1,012,324
Total	**$ 960,096**	**1,070,465**

(2) Financial liabilities

	2021.12.31	2020.12.31
Financial liabilities at fair value through profit or loss:		
Held-for-trading	$ 65	3,825
Financial liabilities measured by amortized cost:		
Short-term borrowings	700,000	660,000
Notes payables, accounts payables and other payables (including related parties)	1,053,178	810,076
Long-term borrowings	1,300,000	-
Lease liabilities (including current and non-current)	128,305	2,302
Subtotal	3,181,483	1,472,378
Total	**$ 3,181,548**	**1,476,203**

2. Fair Value
   (1) Financial instruments not measured at fair value
   The management of the Company considers that the carrying amounts of the financial assets and financial liabilities measured at the amortized cost in the parent company only financial statements are close to the fair values.
   (2) Financial instruments measured at fair value
   The Company's financial assets/liabilities measured by fair value through profit and loss and the financial assets measured by fair value through other comprehensive profit and loss are measured by fair value on the basis of repeatability. The following table provides relevant analysis of the financial instruments measured by fair value after initial recognition and classifies these assets into levels 1 to 3 based on the observable extent of fair value. Different fair value levels are defined as follows:
   A. Level 1: Open quotation of the same asset or liability in the active market (without adjustment).
   B. Level 2: The input parameter of the asset or liability is directly observable (namely price) or indirectly observable (namely, inferred from price), except for the open quotations included in level 1.
   C. Level 3: The input parameters of assets or liabilities are not based on observable market data (non-observable parameters).

	2021.12.31			
	Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	74	-	74
Derivative financial instruments - Foreign exchange swaps	-	920	-	920
Fund beneficiary certificates	26,143	-	-	26,143
	$ 26,143	**994**	**-**	**27,137**
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	**$ 41,259**	**-**	**-**	**41,259**
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	**$ -**	**(65)**	**-**	**(65)**

	2020.12.31			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	226	-	226
Derivative financial instruments - Foreign exchange swaps contract	-	42	-	42
Fund beneficiary certificates	27,953	-	-	27,953
	$ 27,953	268	-	28,221
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	$ 29,920	-	-	29,920
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Foreign exchange swaps	$ -	(3,825)	-	(3,825)

(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.

Listed (OTC) stocks and fund beneficiary certificates have standard terms and conditions and are traded in active markets, and their fair values are determined in accordance with market quotations.

b. Derivative financial instruments

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

(4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the years ended December 31, 2021 and 2020.

(XXIV) Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and equity instrument price risk) due to its business activities. This note expresses the Company's policies and procedures for measuring and managing the above risks, and the quantitative disclosures of risk.

The Board of Directors of the Company is responsible to develop and control the risk management policies which are formulated to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes market conditions and the Company's activities.

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 loss of the Company due to the failure of the counterparty to perform its contractual obligations in financial assets, mainly from cash and cash equivalents, derivatives transactions, accounts receivable from clients, and other receivables. The carrying amount of financial assets of the Company represents the maximum amount of risk exposure.

The transaction counterparties of the Company's cash and cash equivalents and the fund beneficiary certificates held are all financial institutions with good credit, so there should be no 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 conduct 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 continues to monitor credit risk exposure and the credit ratings of counterparties, and it distributes total transaction amounts among clients with qualified credit ratings. It also controls credit risk exposure through credit limit of counterparties reviewed and approved by the unit of risk management every year, and through insurance to reduce possible losses

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

As of December 31, 2021 and 2020, the credit risk from a single client that comprised more than 10% of the Company's trade receivable were 45% and 59%, respectively. The single client consisted of 3 and 4 entities, respectively. Therefore, the Company is exposed to credit risk concentration.

2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Company supports business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash. The management of the Company supervises the use of the bank's financing line and ensures compliance with the terms of the loans contract.

The following table shows the contractual maturity date of financial liabilities, including the impact of estimated interest, based on the earliest date on which the Company can be required to pay, and prepared at the undiscounted cash flow.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings (variable interest rates)	$ 700,808	700,808	-	-	-
Long-term borrowings (variable interest rates)	1,313,403	12,480	1,300,923	-	-
Notes payables, accounts payables and other payables (including related parties; no interest)	1,053,178	1,053,178	-	-	-
Lease liabilities	134,912	15,654	15,382	43,282	60,594
Subtotal	3,202,301	1,782,120	1,316,305	43,282	60,594
Derivative financial instruments:					
Forward foreign exchange contracts－total amount of delivery					
Outflow	74,478	74,478	-	-	-
Inflow	(74,487)	(74,487)	-	-	-
Foreign exchange Swaps－total amount of delivery					
Outflow	247,265	247,265	-	-	-
Inflow	(248,185)	(248,185)	-	-	-
Subtotal	(929)	(929)	-	-	-
	$ 3,201,372	1,781,191	1,316,305	43,282	60,594
December 31, 2020					
Non-derivative financial liabilities:					
Short-term borrowings (variable interest rates)	$ 660,354	660,354	-	-	-
Notes payables, accounts payables and other payables (including related parties; no interest)	810,076	810,076	-	-	-
Lease liabilities	2,313	2,313	-	-	-
Subtotal	1,472,743	1,472,743	-	-	-
Derivative financial instruments:					
Forward foreign exchange contracts－total amount of delivery					
Outflow	67,613	67,613	-	-	-
Inflow	(67,839)	(67,839)	-	-	-
Foreign exchange Swaps－total amount of delivery					
Outflow	549,836	549,836	-	-	-
Inflow	(546,053)	(546,053)	-	-	-
Subtotal	3,557	3,557	-	-	-
	$ 1,476,300	1,476,300	-	-	-

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

3. Market Risks

Market risk refers to the risk of the value of revenue or held financial instruments being influenced by market price changes, such as changes in exchange rate, interest rate, and equity instrument price. The objective of market risk management lies in optimizing the investment return by controlling the market risk exposure within the bearable scope.

(1) Exchange Rate Risks

The Company is exposed to exchange rate risk arising from the sale and purchase in the currency other than the functional currency, and the currency of such transaction is USD. The Company manages exposure to exchange rate risks by using forward foreign exchange contracts and foreign exchange Swaps to manage the exchange rate risks in the range allowed by policies.

The exchange rate risks of the Company are mainly derived from USD-denominated receivables and payables of the Company that are still outstanding on the balance sheet date. Listed below are the book values of the monetary assets and liabilities not valuated by the Company in the functional currency on the reporting date as well as the sensitivity analysis of their related foreign currency changes (monetary unit: thousands of NTD):

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

	2020.12.31				
Foreign Currency	**Exchange rate**	**NTD**	**Changes in exchange rates**	**Profit and loss influence (before tax)**	**Foreign Currency**
Financial assets					
Monetary items					
USD	$ 31,415	28.3500	890,615	1%	8,906
Financial liabilities					
Monetary items					
USD	16,243	28.3500	460,489	1%	4,605

The Company has many monetary items, so the Company has selected to disclose the overall exchange gain or loss information on the monetary items. Please refer to Note 6 (XXII) for details of the Company's foreign exchange gain or loss (realized and unrealized) for the years ended December 31, 2021 and 2020.

(2) Interest Rate Risks

The Company's bank borrowings are on a floating rate basis. The measures taken by the Company in response to changes in the interest rate risk are mainly to assess the interest rate of bank borrowings on a regular basis, and to maintain good relations with financial institutions in order to obtain lower financing costs; meanwhile, it cooperates to strengthen the management of working capital to reduce the dependence on bank borrowings and the risk of interest rate changes.

The interest rate risk exposure of financial liabilities of the Company is described in the liquidity risk management of this Notes. The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. The rate of change used internally in reporting interest rates to the management from the Company is the 1% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates. If the interest rate of the Company's bank borrowings increases/decreases by 1%, the net profit before tax of the Company for the years ended December 31, 2021 and 2020 will decrease/increase by NTD20,000,000 and NTD6,600,000, respectively, with all other variables remaining constant, estimated based on the bank borrowings balance of the Company as of December 31, 2021 and 2020.

(3) Other market risks

The shares of domestic listed (OTC) companies held by the Company are subject to the risk of changes in the market price of equity securities. The Company manages and monitors investment performance on a fair value basis.

Sensitivity analysis on the shares price risk of the abovementioned listed (OTC) company is based on changes in fair value at the reporting date. If the price of equity instruments increased/decreased by 1%, other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by NTD413,000 and NTD299,000, respectively.

(XXV) Capital management

The Company carries out capitalization management to ensure that it can continue to operate under the premise of optimizing the balance of debt and equity, so as to maximize the return on shareholders' equity. The Company's overall strategy will not be changed in 3 years.

The Company's capital structure consists of the Company's net debt (which is borrowings less cash and cash equivalents) and equity (which are share capital, capital surplus, retained earnings, and other equity items). The Company is not subject to other external capital requirements.

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

The method of capital management has not been changed by the Company for the years ended

December 31, 2021 and 2020.

(XXVI) Investing and financing activities not in cash transaction

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

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

	2020.1.1	Cash Flows	Non-cash change: Increase in lease liabilities	Non-cash change: Decrease in lease liabilities	2020.12.31
Short-term borrowings	$ 300,000	360,000	-	-	660,000
Lease liabilities	4,584	(2,282)	-	-	2,302
Total liabilities from financing activities	$ 304,584	357,718	-	-	662,302

VII. Related Party Transactions

(I) Parent company and ultimate controller

Qisda Corporation is the parent company of the Company and the ultimate controller of the Group to which it belongs, and it holds 55.1% of the Company's outstanding ordinary shares. Qisda has prepared consolidated financial statements for public use.

(II) Name and relation of related party

The parent company and subsidiaries of the Company and other related parties having transactions with the Company during the period covered by the parent company only financial statements is as follows:

Name of related party	Relationship with the consolidated company
Qisda Corporation (Qisda)	Parent company of the Company
DFI America, LLC (DFIUSA)	Subsidiary of the company
DFI Co., Ltd.	Subsidiary of the company
Yan Tong Technology Ltd.	Subsidiary of the company
Diamond Flower Information (NL) B.V.	Subsidiary of the company
Brainstorm Corporation (Brainstorm)	Subsidiary of the company
Yan Tong Infotech (Dongguan) Co., Ltd.	Subsidiary of the company

Yan Ying Hao Trading (ShenZhen) Co., Ltd.	Subsidiary of the company
AEWIN Technologies Co., Ltd. (AEWIN)	Subsidiary of the company
Ace Pillar Enterprise Co., Ltd.	Subsidiary of the company
Tianjin Ace Pillar Co., Ltd.	Subsidiary of the company
Partner Technology Co., Ltd.	Direct/indirect subsidiary of Qisda
Alpha Networks Inc.	Direct/indirect subsidiary of Qisda
BenQ Materials Corporation	Direct/indirect subsidiary of Qisda
BenQ Asia Pacific Corporation	Direct/indirect subsidiary of Qisda
BenQ ESCO Corporation	Direct/indirect subsidiary of Qisda
BenQ Healthcare Corporation (former BenQ Hearing Solution Corporation)	Direct/indirect subsidiary of Qisda
BenQ Corporation	Direct/indirect subsidiary of Qisda
Simula Technology Inc.	Direct/indirect subsidiary of Qisda
Golden Spirit Co, Ltd.	Direct/indirect subsidiary of Qisda
Dsta Image Co., Ltd.	Direct/indirect subsidiary of Qisda
SYSAGE Technology Co., Ltd.	Direct/indirect subsidiary of Qisda
AdvancedTEK International Corp.	Direct/indirect subsidiary of Qisda
Global Intelligence Network Co., Ltd.	Direct/indirect subsidiary of Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Direct/indirect subsidiary of Qisda
Qisda (Suzhou) Co., Ltd.	Direct/indirect subsidiary of Qisda
AU Optronics Corporation (AUO)	Related enterprise of Qisda/Corporate director valuing Qisda under equity approach (Note 1)
AFPD Pte., Ltd	Direct/indirect subsidiary of AUO
AUO Digitech Taiwan Inc.	Direct/indirect subsidiary of AUO
Darwin Precisions (Xiamen) Corporation	Direct/indirect subsidiary of AUO
Darwin Precisions Corporation	Direct/indirect subsidiary of AUO
Darfon Electronics Corporation (Darfon)	Related enterprise of Qisda
Unictron Technologies Corporation	Direct/indirect subsidiary of Darfon
San Jose Technology, Inc.	Direct/indirect subsidiary of Darfon (Note 2)

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

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

(III) Material transactions with related party

1. Net operating revenue

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

	2021	2020
Parent company	$ 44,780	107,938

Subsidiary - DFIUSA	579,172	635,083
Subsidiaries - AEWIN	473,425	167,251
Other subsidiaries	708,274	883,264
Other related parties	148,099	207,329
	$ 1,953,750	2,000,865

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 60-90 days after shipment, and 30-90 days for non-related parties.

2. Purchases

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

	2021	2020
Parent company	$ 350,492	751,208
Subsidiary	228,304	14,553
Other related parties	17,822	35,586
	$ 596,618	801,347

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 provided by related parties is 60-90 days after shipment, and 30-90 days for non-related parties.

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 total amounts of increase in right-of-use assets in 2021 was NTD135,488,000.

The Company has recognized an interest expense of NTD1,461,000 for the year ended December 31, 2021. Relevant balance of lease liabilities was NTD126,965,000 as of December 31, 2021.

4. Property transactions

Category of related party	Item	2021	2020
Parent company	Property, plant and equipment	$ -	5,469
Other related parties	Property, plant and equipment	6,114	210
Parent company	Intangible assets	1,789	-
		$ 7,903	5,679

5. operating costs, expenses, and other income

The operating costs and operating expenses incurred by the Company for services provided by related parties, such as product processing and management services, as well as other income from other transactions are detailed as follows:

Item	Category of related party	2021	2020
Operating costs	Parent company	$ 9,276	8,266
	Subsidiary	15	-
	Other related parties	3,279	219
Operating Expenses	Parent company	3,569	1,069
	Subsidiary	26	30
	Other related parties	4,482	2,644
Other income	Subsidiary	-	4,136
	Other related parties	5,581	5,612

6. Receivables from related parties

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

Item	Category of related party	2021.12.31	2020.12.31
Accounts receivable from related parties	Parent company	$ 100,233	87,076
	Subsidiaries:		
	DFI-USA	69,313	150,084
	AEWIN	112,266	104,914
	Others	57,644	91,678
	Other related parties	42,775	34,828
		382,231	468,580
Other receivables	Subsidiaries:		
	AEWIN	4,812	3,802
	Others	1,229	895
	Other related parties	498	491
		6,539	5,188
		$ 388,770	473,768

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

7. Accounts payable to related parties

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

Item	Category of related party	2021.12.31	2020.12.31
Accounts payables	Parent company	$ 50,843	100,567
	Subsidiary	33,429	38,829
	Other related parties	5,626	4,313
		89,898	143,709
Other payables	Parent company	2,894	290
	Other related parties	2,630	6
		5,524	296
Lease liabilities - current	Parent company	13,482	-
Lease liabilities - non-current	Parent company	113,483	-
		126,965	-
		$ 222,387	144,005

(IV) Remuneration to main management

	2021	2020
Short-Term Employee Benefits	$ 42,057	36,520

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	2021.12.31	2020.12.31
Pledged certificate of deposits	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 Loss: None.

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

XII. Others

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

Function / Nature	2021 Attributable to operating cost	2021 Attributable to operating expenses	2021 Total	2020 Attributable to operating cost	2020 Attributable to operating expenses	2020 Total
Employee benefits expenses						
Salary expense	188,288	339,992	528,280	168,337	315,240	483,577
Labor and health insurance expenses	16,077	26,840	42,917	15,471	26,222	41,693
Pension expense	5,848	14,574	20,422	6,113	14,784	20,897
Directors' remuneration	-	10,515	10,515	-	15,430	15,430
Other employee benefit expenses	9,521	12,084	21,605	8,558	12,262	20,820
Depreciation expenses	47,024	27,543	74,567	32,338	25,657	57,995
Amortization expenses	1,108	3,981	5,089	770	5,680	6,450

Additional information on the number of employees and expenses for employee benefits is as follows:

	2021	2020
Number of employees	604	651
Number of directors who do not serve as employees	6	6
Average employee benefit expenses	$ 1,025	879
Average employee salary expenses	$ 883	750
Adjustment of average employee salary expenses	17.73%	- %
Remuneration for Supervisor	$ -	-

Information on the Company's policy of salary and remuneration (including Directors, managers, and employees) is as follows:

The remuneration of Directors of the Company includes remuneration and compensation of Directors. The remuneration is in compliance with the Company's Articles of Incorporation providing that no more than 1% of the profit shall be allocated for the remunerations of the Directors if there is profit. Compensation shall be considered by the Human Resources Department in consideration of the competitive environment and operational risks, and the proposals shall be evaluated according to the Company's management regulations and bonus plans, and submitted to the Board of Directors for resolution. The compensation of the Company's managers and employees consists of two parts: fixed salaries and variable incentives. The fixed salary is the basic salary of the employees, and the variable incentives are linked to the Company's operation performance and the achievement of strategic goals. Incentives shall be evaluated by the Human Resources Department according to the Company's salary and incentives management regulations and bonus plans, and submitted to the Board of Directors for resolution.

XIII. Supplementary Disclosures

(I) Information on Significant Transactions:

Listed below are the material transactions the Company shall disclose again in line with the accounting standard for the year ended December 31, 2021:

1. Loans to others:

Unit: In Thousands of New Taiwan Dollars

No.	Financing Company	Loan recipient	Transaction item	Related Party	Maximum balance in current period	Ending balance	Amount of actual use	Interest Rate	Nature for Financing (Note 4)	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Loss	Collateral		Financing Limits for Each Borrowing Company	Total Financing Limits
													Name	Value		
1	AEWIN	Beijing AEWIN	Other receivables -related parties	Yes	85,590	-	-	-	2	-	Operating capital fund	-		-	231,859 (Note 1)	463,718 (Note 1)
2	Ace Pillar	Tianjin ACE Pillar	Other receivables -related parties	Yes	250,560	249,120	166,080	0%~4.35%	2	-	Operating capital fund	-		-	410,619 (Note 2)	821,237 (Note 2)
2	Ace Pillar	Suzhou Super Pillar	Other receivables -related parties	Yes	28,530	27,680	27,680	-	2	-	Operating capital fund	-		-	410,619 (Note 2)	821,237 (Note 2)
3	CyberSouth	Suzhou Super Pillar	Other receivables -related parties	Yes	15,692	-	-	1.15%	2	-	Operating capital fund	-		-	626,514 (Note 3)	626,514 (Note 3)
4	Tianjin Jinhao	Tianjin ACE Pillar	Other receivables -related parties	Yes	13,044	-	-	1.80%	2	-	Operating capital fund	-		-	7,018 (Note 3)	7,018 (Note 3)
4	Tianjin Jinhao	Quansheng Information	Other receivables -related parties	Yes	2,641	-	-	1.80%	2	-	Operating capital fund	-		-	7,018 (Note 3)	7,018 (Note 3)
5	Hong Kong ACE Pillar	Tianjin ACE Pillar	Other receivables -related parties	Yes	17,344	-	-	1.80%	2	-	Operating capital fund	-		-	39,722 (Note 3)	39,722 (Note 3)
1	AEWIN	Beijing AEWIN	Other receivables -related parties	Yes	208,489	102,949	102,949	-	1	445,822	Business Interaction	-		-	231,859 (Note 1)	463,718 (Note 1)

(Note 1) The total line of credit provided by AEWIN for other persons and the limit for loans to individual borrowers shall be 40% and 20% of the net values in the financial statement of the Company for the most recent period.

(Note 2) The total line of credit provided by ACE Pillar for other persons and the limit for loans to individual borrowers shall be 40% and 20% of the net values in the financial statement of the Company for the most recent period.

(Note 3) The total line of credit provided by Cyber South, Tianjin Jinhao and Hong Kong ACE Pillar for 100%-owned foreign subsidiaries of ACE Pillar and the limit for loans to individual borrowers shall be 100% of the net values in the financial statement of the company for the most recent period. The total line of credit provided for foreign subsidiaries not 100% owned by ACE Pillar and the limit for loans to individual borrowers shall be 10% and 5% of the net values in the financial statement of the company for the most recent period.

(Note 4) The natures of loans are stated as follows:
1. Arise from business transactions.
2. Having needs in short-term financing.

2. Endorsements/guarantees to others:

Unit: In Thousands of New Taiwan Dollars

No.	Company Name of Endorser	Company name of endorsee: Company Name	Company name of endorsee: Relationship (Note 3)	Endorsement limit for a single enterprise	Maximum endorsement guarantee balance for current period	Ending balance of endorsement guarantee	Amount Actually Drawn	Amount of endorsement secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China
1	AEWIN	Beijing AEWIN	2	231,859 (Note 1)	129,780	65,181	65,181	-	5.62%	579,647 (Note 1)	Y	N	Y
1	Ace Pillar	Tianjin ACE Pillar	2	821,237 (Note 2)	327,500	188,400	56,490	-	9.18%	1,026,547 (Note 2)	Y	N	Y

Note 1: The maximum line of credit provided by AEWIN for other persons and individual enterprise shall be 50% and 20% of the net values in the financial statement of the company for the most recent period.

Note 2: The maximum line of credit provided by Ace Pillar for other persons and individual enterprise shall be 50% and 40% of the net values in the financial statement of the company for the most recent period.

Note 3: Relationship between endorsement guarantor and target of endorsement guarantee: (2) A subsidiary holding more than 50% of ordinary shares.

3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, related enterprises and equity joint ventures):

Unit: In Thousands of New Taiwan Dollars/ In Thousands of shares/ In Thousands of units

Name of Held Company	Type and Name of Marketable Securities	Relationship with the issuer of securities	Item	End of Period: Number of Shares/ number of Units	End of Period: Carrying Amount	End of Period: Shareholding ratio	End of Period: Fair value	Remark
The Company	Beneficiary certificates: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	26,143	- %	26,143	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	999	41,259	3.32 %	41,259	-
The Company	Fund: Asia Tech Taiwan Venture Fund	-	Financial assets at fair value through profit or loss - non-current	USD 225	-	-	-	-
The Company	Bonds: WM 7.25% Perpetual	-	Financial assets at fair value through profit or loss - current	USD 200	-	-	-	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	1,288	16.67 %	1,288	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	-	1.42 %	-	-

4. The cumulative purchase or sale of the same securities amounted to NTD 300 million or 20% and above of the paid-in capital:

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

Buyer and seller	Type and Name of Marketable Securities	Item	Counterparty	Relationship	Beginning: Number of shares	Beginning: Amount	Buy: Number of shares	Buy: Amount	Sell at end of period: Number of shares	Sell at end of period: Sales price	Sell at end of period: Book cost	Sell at end of period: Disposal profit or loss	End of Period(Note): Number of shares	End of Period(Note): Amount
The Company	Stock-Brainstorm Corporation	Investment under equity approach	-	Parent company and subsidiary	-	-	233	501,582	-	-	-	-	233	535,021
The Company	Stock -Ace Pillar Co., Ltd.	Investment under equity approach	-	Parent company and subsidiary	37,676	793,722	16,282	507,636	-	-	-	-	53,958	1,095,684

Note: Note:

5. The amount of property acquired reached NTD 300 million or 20% and above of the paid-

in capital:

Unit: In Thousands of New Taiwan Dollars

Name of company	Name of property	Transaction date or date of occurrence of event	Transaction amount (Note)	Payment status	Counterparty	Relationship	Prior transaction of related counterparty				Basis of reference for price determination	Purpose and use	Other agreed matters
							Owner	Relationship with the issuer	Transfer date	Amount			
Ace Pillar	Land and buildings	2021/7/7	262,270	Fully paid	Chung Mao Property Development Co., Ltd.	-	-	-	-	-	Price negotiation according to appraisal report	Office use	None
AEWIN	Land and buildings	2021/10/4	470,880	Fully paid	Avanti Commerce Centre Ltd.	-	-	-	-	-	Price negotiation according to appraisal report	Usage in operation	None

Note: Transaction amount includes business tax.

6. The amount of property disposal reached NTD 300 million or 20% and above of the paid-in capital:

Company that Disposed Real Estate	Name of property	Date of occurrence of event	Original Acquisition Date	Book value	Transaction amount	Price Collection Status	Disposal profit or loss	Counterparty	Relationship	Purpose of Disposal	Basis of reference for price determination	Other agreed matters
The Company	Land and buildings	2021/11/30	1987/4/1	72,885	550,000	Fully received	469,360 (Note)	Axiomtek Co., Ltd.	N/A	Revitalize company assets and replenish working capital	Price negotiation according to appraisal report	None

Note: Amount deducted by transaction-related fees

7. The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital:

Unit: In Thousands of New Taiwan Dollars

Purchasing (selling) company	Name of counterparty	Relationship	Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchase /Sales	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio of notes and accounts receivable and payable	
The Company	Qisda	Parent company and subsidiary	Purchases	350,492	10 %	OA60	-	30-90 days to collect	(50,843)	(6) %	-
Qisda	The Company	Parent company and subsidiary	Sales	(350,492)	-	OA60	-	30-90 days to collect	50,843	-	-
DFI AMEICA, LLC.	The Company	Parent company and subsidiary	Purchases	579,172	100 %	60-90 days to collect	-	30-90 days to collect	(69,313)	(99) %	-
The Company	DFI AMEICA, LLC.	Parent company and subsidiary	Sales	(579,172)	(17) %	60-90 days to collect	-	30-90 days to collect	69,313	11 %	-
Diamond Flower Information (NL)B.V	The Company	Parent company and subsidiary	Purchases	335,051	100 %	60-90 days to collect	-	30-90 days to collect	(13,451)	(100) %	-
The Company	Diamond Flower Information (NL) B.V.	Parent company and subsidiary	Sales	(335,051)	(10) %	60-90 days to collect	-	30-90 days to collect	13,451	2 %	-
DFI Co., Ltd.	The Company	Parent company and subsidiary	Purchases	216,968	99 %	60-90 days to collect	-	30-90 days to collect	(14,796)	(92) %	-
The Company	DFI Co., Ltd.	Parent company and subsidiary	Sales	(216,968)	(6) %	60-90 days to collect	-	30-90 days to collect	14,796	2 %	-
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	The Company	Parent company and subsidiary	Purchases	146,668	91 %	60-90 days to collect	-	30-90 days to collect	(25,498)	(94) %	-
The Company	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Parent company and subsidiary	Sales	(146,668)	(4) %	60-90 days to collect	-	30-90 days to collect	25,498	4 %	-
The Company	AEWIN	Parent company and subsidiary	Sales	(473,425)	14 %	Payment term of 60 days	At agreed price	Payment term of 60-90 days to collect	112,266	18 %	-
AEWIN	The Company	Parent company and subsidiary	Purchases	473,425	24 %	Payment term of 60 days	At agreed price	Payment term of 60-90 days to collect	(112,266)	43 %	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	Sales	(445,822)	(35) %	150 days after shipment	-	120 days after shipment (Note 1)	398,155	68 %	-
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	445,822	42 %	150 days after shipment	-	120 days after shipment (Note 1)	(398,155)	(64) %	-
Quansheng Information	Tianjin ACE Pillar	Affiliate	Sales	(455,128)	(100) %	T/T 30 days	-		61,680	98 %	-
Tianjin ACE Pillar	Quansheng Information	Affiliate	Purchases	455,128	33 %	T/T 30 days	-		(61,680)	(31) %	-
AEWIN	AEWINTECH	Parent company and subsidiary	Sales	(148,507)	(12) %	120 days after shipment	-	120 days after shipment (Note 1)	57,270	10 %	-
AEWINTECH	AEWIN	Parent company and subsidiary	Purchases	148,507	100 %	120 days after shipment	-	120 days after shipment (Note 1)	(57,270)	(100) %	-
The Company	AEWIN	Parent company and subsidiary	Purchases	222,370	7 %	Payment term of 60 days	-	30-90 days to collect	(32,353)	(4) %	-
AEWIN	The Company	Parent company and subsidiary	Sales	- (Note 2)	-	Payment term of 60 days	-	120 days after shipment (Note 1)	32,353	6 %	-

Note 1: 120 days after shipment, subject to extension taking into account market conditions.
Note 2: Amount of raw materials sold deducted the repurchase part after add-on

8. Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital:

Unit: In Thousands of New Taiwan Dollars

Company from which accounts receivable	Name of counterparty	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for Loss
					Amount	Treatment		
AEWIN	Beijing AEWIN	Parent company and subsidiary	398,155	1.14	151,918	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	102,949	-	-	Strengthen collection	-	-
Ace Pillar	Tianjin ACE Pillar	Parent company and subsidiary	166,080	-	-	-	-	-

9. Engaged in derivative products transactions: See Note VI (II) for details.

(II) Reinvestment and related information:

Below is the information of the reinvestment business (excluding invested companies in mainland China) for the year ended December 31, 2021:

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

Name of investor company	Name of investee company	Location	Primary business	Original investment amount		Held at the end of the period			Net income (loss) of the investee	Investment profit (loss) recognized for the period	Remark (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	100.00%	363,409	4,624	4,624	Subsidiary of the company
The Company	Yan Tong	Mauritius	General investment business	187,260	187,260	6,000	100.00%	178,568	7,338	7,338	Subsidiary of the company
The Company	DFI Co., Ltd.	Japan	Sales of industrial computer cards	104,489	104,489	6	100.00%	287,699	10,481	10,481	Subsidiary of the company
The Company	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100.00%	67,927	13,955	13,955	Subsidiary of the company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer mainboards and related products	564,191	556,464	30,376	51.38%	596,523	44,617	17,750	Subsidiary of the company
The Company	Ace Pillar	Taiwan	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	1,301,359	793,722	53,958	48.07%	1,095,684	147,895	53,726	Subsidiary of the company
The Company	Brainstorm	USA	Wholesale and retail of computer and peripheral devices	501,582	-	233	35.09%	535,021	248,222	35,376	Subsidiary of the company
AEWIN	Wise Way	Aquila	Investment business	46,129	46,129	1,500	100.00%	163,707	76,229	(Note 1)	Subsidiary of the company
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer and peripheral equipment and software	77,791	77,791	2,560	100.00%	(453)	(3,250)	(Note 1)	Subsidiary of the company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100.00%	190,941	76,229	(Note 1)	Subsidiary of the company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100.00%	626,514	56,442	(Note 1)	Subsidiary of the company
Ace Pillar	Hong Kong ACE Pillar	Hong Kong	Sales and Purchases of transmission mechanical components	5,120	5,120	1,200	100.00%	39,722	(259)	(Note 1)	Subsidiary of the company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100.00%	511,706	44,403	(Note 1)	Subsidiary of the company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100.00%	(598)	3,661	(Note 1)	Subsidiary of the company

Note 1: The net income of the invested company is already included in the investor company, and not separately presented to avoid confusion.

(III) Investment information in mainland China:

1. Name, principal operation and relevant information of invested companies in the Mainland Chinese:

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

Investee Company In Mainland China	Primary business	Paid-in Capital	Method of Investment	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	Net income (loss) of the investee	Shareholding ratio of the direct or indirect investment of the company	Investment profit (loss) recognized for the period	Carrying amount of the investment at the end of period	Investment income repatriated by the end of period
					Remitted	Repatriated						
Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	69,200 (USD2,500)	(Note 1)	-	-	-	-	-	- %	(1,601) (Note 2)	51,498	33,306
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	13,840 (USD500)	(Note 1)	-	-	-		-	100.00 %	11,090 (Note 2)	46,514	-
Beijing AEWIN	Wholesale of computer and peripheral equipment and software	46,129 (USD1500)	(Note 1)	46,129 (USD1,500)	-	-	46,129 (USD1,500)	76,229	100.00 %	76,229 (Note 2)	190,936	-
Aewin(Shenzhen)Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	13,062 (RMB3,000)	(Note 4)	-	-	-	-	(5,311) (RMB(1,226))	100.00 %	(5,311) (RMB(1,226)) (Note 2)	(1,829) (RMB(421))	-
Tianjin ACE Pillar	Sales and Purchases of transmission mechanical components	977,021 (USD35,297)	(Note 1)	53,976 (USD1,950)	-	-	53,976 (USD1,950)	56,121	100.00 %	56,121 (Note 2)	611,067	125,533
Tianjin Jinhao	Manufacturing and processing of machinery transmission products	7,257 (RMB1,670)	(Note 1)	4,429 (USD160)	-	-	4,429 (USD160)	(219)	100.00 %	(219) (USD(8)) (Note 2)	7,018 (USD254)	-
Quansheng Information	Electronic system integration	8,304 (USD300)	(Note 1)	4,152 (USD150)	-	-	4,152 (USD150)	3,662	100.00 %	3,662 (USD131) (Note 2)	(622) (USD(22))	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	40,136 (USD1,450)	(Note 1)	- (Note 3)	-	-	- (Note 3)	10,511	100.00 %	10,511 (USD375) (Note 2)	98,569 (USD3,561)	-
Xuchang Ace AI Equipment Co.,Ltd.	Wholesale and retail of industrial robotic related products	8,304 (USD300)	(Note 1)	- (Note 3)	-	-	- (Note 3)	(711)	100.00 %	(711) (USD(25)) (Note 2)	2,156 (USD78)	-

Note 1: Reinvest in the companies in the Mainland Chinese through companies established in third regions.
Note 2: It is recognized in line with the financial report prepared by the invested company and audited by the accountant of the parent company in Taiwan.
Note 3: It was reinvested and established by Cyber South.
Note 4: It is a Mainland Chinese-based company reinvested by Beijing AEWIN.
Note 5: Xuchang Ace AI Equipment Co.,Ltd.'s board of directors has resolved to dissolve the company, and the liquidation process is still in process on November 23, 2021.

2. Limit of the investment in Mainland Chinese:

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

Company Name	The cumulative amount of investment remitted from Taiwan to the Mainland Chinese at the end of the current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on Investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
DFI	(Note 1)	57,713(Note 3 and Note 4) (USD2,085)	3,302,288
AEWIN	46,129 (USD1,500)	55,360 (USD2,000)	695,976
Ace Pillar	141,694 (USD5,119)	141,694 (USD5,119)	1,231,856

(Note 1) Refers to the actual amount remitted by the Company and the amount approved by the Investment Commission, excluding the remitted amount of subsidiaries and their amount approved by the Investment Commission.

(Note 2) in accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the accumulated amount of investment in mainland China is limited to 60％ of the net worth or consolidated net worth, whichever is higher.

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

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

3. Material transactions with invested companies in the Mainland Chinese:

Please see the statement under the “Information on Significant Transactions” for the direct or indirect material transactions between the Company and the invested companies in the Mainland Chinese for the year ended December 31, 2021.

(IV) Information on Major Shareholders:

Unit: Share

Shares / Name of Major Shareholder	Number of Shares Held	Shareholding Ratio
Qisda Co., Ltd.	51,609,986	45.00%
Gordias Investments Limited of British Virgin Islands Merchant	15,734,441	13.71%
Darly2 Venture, lnc.	9,175,109	8.00%
Hyllus Investments Limited of British Virgin Islands Merchant	8,559,818	7.46%

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

XIV. Segment information

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

DFI Inc.
Statement of Cash and Cash Equivalents
December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount
Petty cash and cash on hand		$ 23
Demand deposits and check deposits		122,319
Foreign currency deposits (note)	USD: 4,277,000	118,375
	JPY: 2,000	1
	EUR: 3,000	95
	RMB: 12,000	53
		$ 240,866

Note: Foreign currency deposits are converted at the spot exchange rate on December 31, 2021.
USD: NTD = 1: 27.68
EUR: NTD = 1: 31.444
JPY: NTD = 1: 0.2404
RMB: NTD = 1: 4.3454

DFI Inc.

Statement of Notes Receivable and Accounts Payable

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Client Name	Amount
Client A	$ 46,237
Client B	26,012
Client C	21,382
Client D	20,692
Client E	17,120
Client F	16,764
Others(Note)	96,062
	244,269
Loss: Allowance for loss	-
	$ 244,269

Note: All below 5% of this account.

DFI Inc.

Statement of Other Receivables

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remark
Tax refunds of business tax receivable		$ 15,375	
Other receivables from related parties		6,539	
Others (all below 5%)		778	
		$ 22,692	

Note: All below 5% of this account.

Statement of Inventories

Item	Amount: Book value	Amount: Net realizable value	Remark
Raw materials	$ 890,009	1,725,915	Net realizable value
Work in progress	110,574	138,932	Net realizable value
Manufactured goods and commodities	73,239	88,934	Net realizable value
Goods in Transit	23,210	23,210	Net realizable value
Outsourced processing products	7,917	7,917	Net realizable value
	$ 1,104,949	1,984,908	

DFI Inc.

Statement of Prepayments and Other Current Assets

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Input tax	$ 19,256
Prepaid expenses	10,514
Others(Note)	1,440
	$ 31,210

Note: All below 5% of this account.

DFI Inc.

Statements of Changes in Financial Assets At Fair Value Through Other Comprehensive Income - Non-Current

January 1 to December 31, 2021 **Unit: In Thousands of New Taiwan Dollars**

	Beginning		Increase		Decrease		Unrealized gain (loss) on financial assets at fair value through other comprehensive income	End of Period		Collateral or Pledge	Remark
Name	Number of Shares (in Thousand Shares)	Fair Value	Number of Shares (in Thousand Shares)	Amount	Number of Shares (in Thousand Shares)	Amount		Number of Shares (in Thousand Shares)	Fair Value		
Shares of OTC company - Aplex Technology Inc.	999	$ 29,920	-	-	-	-	11,339	999	41,259	-	

DFI Inc.

Statement of Changes in Investments Accounted for Using Equity Method

January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

	Beginning Balance		Increase		Decrease for the period (Note 2)			Ending balance			Market value or net equity		
Name of investee business	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Equity method adjustment (Note 1)	Number of shares	Shareholding Ratio	Amount	Unit price (NT$)	Total	Collateral or Pledge
Diamond Flower Information (NL) B.V.	12,001	$ 69,147	-	-	-	-	6,315	12,001	100%	75,462	6,288.00	75,462	None
DFI America, LLC.	1,209,000	377,682	-	-	-	-	(170)	1,209,000	100%	377,512	165.13	199,638	None
DFI Co., Ltd.	6,200	318,628	-	-	-	-	(28,976)	6,200	100%	289,652	45,187.26	280,161	None
Yan Tong Technology Ltd.	6,000,000	173,358	-	-	-	-	8,215	6,000,000	100%	181,573	30.26	181,573	None
AEWIN	30,061,000	597,165	315,000	7,726	-	(18,224)	17,271	30,376,000	51.38%	603,938	30.50	926,468	None
Ace Pillar	37,676,000	714,293	16,282,069	507,636	-	(32,374)	(93,385)	53,958,069	48%	1,096,170	31.05	1,675,398	None
Brainstorm	-	-	233,000	501,582	-	-	33,439	233,000	35.09%	535,021	-	380,195	None
Loss: Deferred profit between associates		(53,289)		-		18,792	-			(34,497)			
		$ 2,196,984		1,016,944		(31,806)	(57,291)			3,124,831			

Note 1: Equity method adjusted as below:

Shares of profit (loss) of subsidiaries accounted for using the equity method	$ 143,637
Adjustment from exchange differences on translating the financial statements of foreign operations	(51,761)
Adjustment from unrealized gain (loss) on financial assets at fair value through other comprehensive income	205
Adjustment from remeasurements from defined benefit plans	456
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	(149,828)
	$ (57,291)

Note 2: The decrease for the period is due to the cash dividends obtained from the investee.

DFI Inc.

Statement of Other Non-Current Assets

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Prepayments for equipment	$ 19,456
Others(Note)	4,141
	$ 23,597

Note: All below 5% of this account.

Statement of Short-term Borrowings

Category of borrowings	Description	Ending balance	Contract period	Financing facilities	Collaterals or guarantees (Promissory note)
Credit loans	Taipei Fubon Bank	$ 500,000	December 3, 2021-April 1, 2022	553,600	None
Credit loans	E.Sun Bank	200,000	December 10, 2021-January 1, 2022	300,000	None
		$ 700,000			

Note 1: The annual interest rate of the short-term borrowings listed above is 0.62% to 0.65%.

DFI Inc.

Statement of Accounts Payable

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Name of vendor	Amount
Company A	$ 134,905
Company B	49,568
Company C	45,509
Others(Note)	464,102
	$ 694,084

Note: Accounts payable to individual manufacturers is below 5% of this account.

Statement of Other Payable

Item	Amount
Salaries and bonuses payable	$ 97,590
Employee compensation payable	53,437
Equipment payment payable	28,530
Others(Note)	89,639
	$ 269,196

Note: All below 5% of this account.

DFI Inc.

Statement of Other Current Liabilities

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Received on behalf of others	$ 4,490

Statement of Lease Liabilities

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Lease Term	Discount rate	Ending balance
Buildings	2021.01~2031.03	1.1%~1.43%	$ 128,305
Current:			
Related party - Qisda			$ 13,482
Non-related party			$ 800
Non-current:			
Related party - Qisda			$ 113,483
Non-related party			$ 540

DFI Inc.

Statement of Long-term Borrowings

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Creditor	Summary	Borrowings amount	Contract period	Collaterals or pledge
Taishin Bank		$ 500,000	2021.12~2022.01	None
KGI Bank		300,000	2021.12~2022.01	None
Yuanta Bank		500,000	2021.12~2022.01	None
Total		1,300,000		

Note: The annual interest rate of the long-term borrowings listed above is 0.94% to 0.99%.

DFI Inc.

Statement of Operating Cost

January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Raw materials:	
In stock, beginning	$ 344,272
Plus: Materials purchased for the period, net	3,084,319
Less: Raw materials	964,028
Inventory obsolescence	1,423
Loss on inventories count	6,845
Raw materials sold	216,093
Raw materials used and others	9,243
Raw materials consumed for the period	2,230,959
Director labor	104,393
Manufacturing overhead	247,020
Manufacturing cost	2,582,372
Work-in-process, beginning	46,838
Outsourced processing, beginning	20,015
Outsourced processing costs	2,206
Less: Work-in-process, ending	110,574
Outsourced processing, ending	7,917
Obsolescence of work-in-process	77
Work-in-process cost	2,532,863
Finished goods, beginning	95,708
Plus: Purchases for the period, net	61,572
Less: Finished goods, ending	85,149
Obsolescence of finished goods	3,340
Semi-finished goods sold	24,497
Used by segments and others	21,247
Finished goods costs	2,555,910
Loss on inventory obsolescence and count	11,685
Raw materials sold and semi-finished goods costs	240,590
Inventory price loss	2,422
Revenue of scrap sold and reversal of warranty costs	(11,912)
Operating costs	$ 2,798,695

DFI Inc.

Statement of Selling and Marketing Expenses

January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Salary	$ 116,980
Commission	16,774
Insurance expenses	12,648
Shipping expenses	12,493
Other expenses (Note)	28,690
	$ 187,585

Note: All below 5% of this account.

Statement of Management Expenses

Item	Amount
Salary	$ 69,680
Depreciation	13,699
Other expenses (Note)	59,425
	$ 142,804

Note: All below 5% of this account.

DFI Inc.

Statements of Research and Development Expenses

January 1 to December 31, 2021 **Unit: In Thousands of New Taiwan Dollars**

Item	Amount
Salary	$ 178,421
Insurance expenses	14,575
Other expenses (Note)	75,184
	$ 268,180

Note: All below 5% of this account.

Please refer to Note 6 (II) of the parent company only financial statements for "Statement of Financial Assets Measured at Fair Value Through Profit or Loss - Current."

Please refer to Note 6 (IV) of the parent company only financial statements for "Statement of Financial Assets Measured at Amortized Cost - Current."

Please refer to Note 7 of the parent company only financial statements for "Accounts Receivable from Related Parties."

Please refer to Note 6 (IX) of the parent company only financial statements for information on "Statement of Changes in Property, Plant and Equipment."

Please refer to Note 6 (IX) of the parent company only financial statements for information on "Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment."

Please refer to Note 6 (X) of the parent company only financial statements for information on "Statement of Changes in Right-of-Use Assets."

Please refer to Note 6 (XI) of the parent company only financial statements for information on "Statement of Changes in Intangible Assets."

Please refer to Note 6 (XX) of the parent company only financial statements for information on "Statement of Contract Liabilities."

Please refer to Note 6 (XVII) of the parent company only financial statements for information on "Statement of Deferred Income Tax Assets."

Please refer to Note 7 of the parent company only financial statements for information on "Statement of Accounts Payables - Related Parties."

Please refer to Note 7 of the parent company only financial statements for information on "Statement of Other Payable - Related Parties."

Please refer to Note 6 (XV) of the parent company only financial statements for information on "Statement of Provisions."

Please refer to Note 6 (XVII) of the parent company only financial statements for information on "Statement of Deferred Income Tax Liabilities."

Please refer to Note 6 (XVI) of the parent company only financial statements for information on "Statement of Net Defined Benefit Liabilities."

Please refer to Note 6 (XX) of the parent company only financial statements for information on "Statement of Operating Revenue."

Please refer to Note 6 (XXII) of the parent company only financial statements for information on "Statement of Interest Income, Other Income, Other Gain and Loss And Financial Costs of Non-Operating Income and Expenses."