

**DFI Inc. and its subsidiaries**  
**Consolidated Financial Statements and**  
**Independent Auditors' Review Report**  
**For the three months ended March 31, 2023 and 2022**

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

**Company Address: 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City**  
**Tel.: (02)26972986**

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

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## **Independent Auditors' Review Report**

The Board of Directors and Shareholders DFI Inc.

### **Foreword**

We have reviewed the accompanying consolidated balance sheet as of March 31, 2023 and the restated consolidated balance sheet as of March 31, 2022 of DFI Inc. and its subsidiaries (hereinafter collectively the "Group"), which comprise the consolidated income statement, consolidated statement of changes in equity, and consolidated statement of cash flows from January 1 to March 31, 2023 and the restated ones from January 1 to March 31, 2022, as well as the notes to the consolidated financial report (including the summary of significant accounting policies). It is the responsibility of the management to prepare fair presentation consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. The responsibility of the CPAs is to draw conclusions on the consolidated financial report based on the results of their review.

### **Scope**

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

### **Basis for Qualified Conclusion**

As stated in Note IV (II) to the consolidated financial statements, a part of its insignificant subsidiaries of DFI Inc. has been included in the aforesaid consolidated financial statements based on the financial statements of these invested companies not reviewed by the independent auditors for the same period. As of March 31, 2023, and March 31, 2022 after restatement these subsidiaries had total assets of NTD (the same below) 877,602 thousand and NTD 1,461,457 thousand respectively, representing 7.07% and 11.04% of total consolidated assets respectively; and total liabilities of NTD112,677 thousand and NTD411,062 thousand respectively, representing 1.62% and 5.18% of total consolidated liabilities respectively; and its total comprehensive income (loss) of NTD10,189 thousand and NTD38,542 thousand respectively for the three months ended March 31, 2023, and for the three months ended March 31, 2022 after restatement, representing 6.87% and 21.54% of total consolidated comprehensive income (loss) respectively.

## Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of these insignificant subsidiaries mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and March 31, 2022 after restatement, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023, and 2022 after restatement, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting", which have been endorsed by the Financial Supervisory Commission and put into effect.

## Emphasis of Matter

As stated in Notes IV (II), the subsidiary of the Company, Ace Pillar Co., Ltd., acquired 100% equity interests in the subsidiary of Qisda Corporation, ACE Energy Co., Ltd., on July 1, 2022. Pursuant to the Interpretations (2012) No.301 issued by Accounting Research and Development Foundation and the Discussion Paper of IFRS 3 "Q&A on Accounting Treatments for Business Combinations under Common Control" dated on October 26, 2018, which is an organizational reorganization under common control and should be regarded as a combination from the beginning. The Group has restated consolidated financial report for the three months ended March 31, 2022 accordingly. Our review opinions are not modified in respect of this matter.

KPMG Taiwan

CPA:

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May 4, 2023

## Notes to Readers

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

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

**Reviewed only, not audited in accordance with the auditing standards**  
**on March 31, 2023 and 2022**

**DFI Inc. and its subsidiaries**

**Consolidated Balance Sheet**

**As of March 31, 2023, December 31, March 31, and January 1, 2022**

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

	2023.3.31		2022.12.31 (Restated)		2022.3.31 (Restated)		2022.1.1 (Restated)		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Assets</b>									
<b>Current assets:</b>									
1100	Cash and cash equivalents (Note VI (I))	\$ 1,496,874	12	1,690,474	13	1,498,229	11	1,549,815	13
1110	Financial assets at fair value through profit or loss - current (Notes VI (II))	29,343	-	27,458	-	29,227	-	28,528	-
1136	Financial assets at amortized cost - current (Notes VI (IV) & VIII)	7,677	-	9,557	-	28,899	-	19,708	-
1141	Contract assets - current (Note (XXI))	4,006	-	-	-	-	-	-	-
1170	Net of notes receivable and accounts receivable (Notes VI (V), (XXI) & VIII)	2,477,249	20	2,611,791	20	2,621,493	20	2,604,256	21
1180	Accounts receivable from related parties (Notes VI (V), (XXI) & VII)	213,990	2	272,306	2	202,555	2	182,138	1
1200	Other receivables (Notes VI (V) & VII)	25,603	-	56,945	-	35,895	-	32,159	-
130X	Inventories (Notes VI (VI))	3,540,793	29	3,816,596	29	4,158,270	31	3,583,295	29
1410	Prepayments	107,170	1	125,313	1	201,819	2	133,749	1
1460	Non-current assets held for sale (Notes VI (VII) and (IX))	-	-	-	-	359,753	3	312,601	3
1470	Other current assets	18,696	-	17,970	-	15,627	-	16,227	-
	<b>Total current assets</b>	<b>7,921,401</b>	<b>64</b>	<b>8,628,410</b>	<b>65</b>	<b>9,151,767</b>	<b>69</b>	<b>8,462,476</b>	<b>68</b>
<b>Non-current assets:</b>									
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VI (III))	92,325	1	71,064	1	45,480	-	42,547	-
1535	Financial assets at amortized cost - non-current (Note VI (IV))	3,209	-	3,212	-	3,013	-	-	-
1600	Property, plant and equipment (Notes VI (IX), VII & VIII)	2,647,493	21	2,793,096	21	2,470,628	19	2,477,339	20
1755	Right-of-use assets (Notes VI (X) & VII)	336,444	3	355,617	3	234,783	2	267,778	2
1760	Net of investment properties (Notes VI (XI))	117,020	1	-	-	-	-	-	-
1780	Intangible assets (Notes VI (VIII), (XII) & VII)	1,095,428	9	1,121,027	9	1,119,714	8	974,453	8
1840	Deferred income tax assets	151,072	1	156,243	1	106,576	1	106,790	1
1990	Other non-current assets	45,187	-	45,912	-	104,500	1	90,492	1
	<b>Total non-current assets</b>	<b>4,488,178</b>	<b>36</b>	<b>4,546,171</b>	<b>35</b>	<b>4,084,694</b>	<b>31</b>	<b>3,959,399</b>	<b>32</b>
	<b>Total assets</b>	<b>\$ 12,409,579</b>	<b>100</b>	<b>13,174,581</b>	<b>100</b>	<b>13,236,461</b>	<b>100</b>	<b>12,421,875</b>	<b>100</b>

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(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**Reviewed only, not audited in accordance with the auditing standards  
on March 31, 2023 and 2022**

**DFI Inc. and its subsidiaries**

**Consolidated Balance Sheets (Continued from the previous page)  
As of March 31, 2023, December 31, March 31, and January 1, 2022**

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

	2023.3.31		2022.12.31 (Restated)		2022.3.31 (Restated)		2022.1.1 (Restated)		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Liabilities and equity</b>									
<b>Current liabilities:</b>									
2100	Short-term borrowings (Notes VI (XIII) & VIII)	\$ 1,327,235	11	1,886,020	14	2,367,152	18	1,311,304	11
2120	Financial liabilities at fair value through profit or loss - current (Notes VI (II))	4,276	-	5,020	-	4,876	-	821	-
2130	Contract liabilities - current (Note VI (XXI))	152,223	1	205,241	2	186,323	1	194,558	1
2170	Notes and accounts payables	1,943,152	16	1,996,670	15	2,382,801	18	2,218,331	18
2180	Accounts payables to related parties (Note VII)	84,159	-	117,185	1	98,518	1	63,053	-
2200	Other payables (Note VII)	977,844	9	576,411	4	1,013,659	8	562,316	5
2230	Current income tax liabilities	269,129	2	234,692	2	111,520	1	86,768	1
2250	Provisions - current (Note VI (XVI))	47,576	-	51,236	-	48,421	-	46,247	-
2280	Lease liabilities - current (Note VI (XV) & VII)	85,846	1	86,451	1	63,584	-	75,933	1
2322	Long-term borrowings - Current portion(Notes VI (XIV) & VIII)	608	-	653	-	20,000	-	20,000	-
2399	Other current liabilities	38,709	-	31,136	-	16,947	-	18,633	-
	<b>Total current liabilities</b>	<u>4,930,757</u>	<u>40</u>	<u>5,190,715</u>	<u>39</u>	<u>6,313,801</u>	<u>47</u>	<u>4,597,964</u>	<u>37</u>
<b>Non-current liabilities:</b>									
2540	Long-term borrowings (Notes VI (XIV) & VIII)	1,430,000	11	1,550,000	12	1,025,000	8	1,730,000	14
2570	Deferred tax liabilities	332,138	3	336,209	3	385,472	3	343,603	3
2580	Lease liabilities - non-current (Note VI (XV) & VII)	222,983	2	241,693	2	160,900	1	181,441	1
2640	Net defined benefit liabilities - non-current	30,690	-	31,174	-	43,192	-	40,584	-
	<b>Total non-current liabilities</b>	<u>2,015,811</u>	<u>16</u>	<u>2,159,076</u>	<u>17</u>	<u>1,614,564</u>	<u>12</u>	<u>2,295,628</u>	<u>18</u>
	<b>Total liabilities</b>	<u>6,946,568</u>	<u>56</u>	<u>7,349,791</u>	<u>56</u>	<u>7,928,365</u>	<u>59</u>	<u>6,893,592</u>	<u>55</u>
<b>Equity attributable to the owners of the parent company (Note VI (VIII) and (XIX)):</b>									
3110	Share capital - Ordinary shares	1,144,889	9	1,144,889	9	1,144,889	9	1,144,889	9
3200	Capital surplus	608,619	5	608,586	5	609,948	5	655,744	6
3300	Retained earnings	1,199,503	10	1,531,997	11	1,088,720	8	1,371,470	11
3400	Other equity	(16,498)	-	(38,041)	(1)	(78,727)	-	(114,824)	(1)
	<b>Total equity attributable to owners of parent company</b>	<u>2,936,513</u>	<u>24</u>	<u>3,247,431</u>	<u>24</u>	<u>2,764,830</u>	<u>22</u>	<u>3,057,279</u>	<u>25</u>
35XX	<b>Former owner of business combination under common control</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,697</u>	<u>-</u>	<u>20,310</u>	<u>-</u>
36XX	<b>Non-controlling interests (Note VI (VIII) and (XIX))</b>	<u>2,526,498</u>	<u>20</u>	<u>2,577,359</u>	<u>20</u>	<u>2,523,569</u>	<u>19</u>	<u>2,450,694</u>	<u>20</u>
	<b>Total equity</b>	<u>5,463,011</u>	<u>44</u>	<u>5,824,790</u>	<u>44</u>	<u>5,308,096</u>	<u>41</u>	<u>5,528,283</u>	<u>45</u>
	<b>Total liabilities and equity</b>	<u>\$ 12,409,579</u>	<u>100</u>	<u>13,174,581</u>	<u>100</u>	<u>13,236,461</u>	<u>100</u>	<u>12,421,875</u>	<u>100</u>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**Reviewed only, not audited in accordance with the auditing standards**

**DFI Inc. and its subsidiaries**

**Consolidated Statements of Comprehensive Income**

**January 1 to March 31, 2023 and 2022**

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

	<b>January to March 2023</b>		<b>January to March 2022 (Restated)</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue (Notes VI (XXI), VII &amp; XIV)</b>			
	\$ 3,820,041	100	3,884,408	100
5000	<b>Operating costs (Note VI (VI), (IX), (X), (XII), (XV), (XVII), (XXII), VII &amp; XII)</b>			
	<u>(2,984,913)</u>	<u>(78)</u>	<u>(3,175,555)</u>	<u>(82)</u>
	<b>Gross Profit</b>			
	<u>835,128</u>	<u>22</u>	<u>708,853</u>	<u>18</u>
	<b>Operating expenses (Note VI (V), (IX), (X), (XI), (XII), (XV), (XVII), (XXII), VII &amp; XII):</b>			
6100	Selling and marketing expenses			
	(404,941)	(11)	(346,008)	(9)
6200	General and administrative expenses			
	(124,437)	(3)	(112,662)	(3)
6300	Research and development expenses			
	(113,978)	(3)	(108,604)	(2)
6450	Expected credit loss reversal benefit (impairment loss)			
	7,335	-	(3,009)	-
6000	<b>Total operating expenses</b>			
	<u>(636,021)</u>	<u>(17)</u>	<u>(570,283)</u>	<u>(14)</u>
	<b>Net operating income</b>			
	<u>199,107</u>	<u>5</u>	<u>138,570</u>	<u>4</u>
	<b>Non-operating income and expenses (Notes VI (VII), (XV), (XXIII) &amp; VII)</b>			
7100	Interest income			
	2,173	-	373	-
7010	Other income			
	6,099	-	7,449	-
7020	Other gain and loss			
	(15,107)	-	15,178	-
7050	Finance costs			
	<u>(18,974)</u>	<u>(1)</u>	<u>(11,080)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>			
	<u>(25,809)</u>	<u>(1)</u>	<u>11,920</u>	<u>-</u>
7900	<b>Profit before tax</b>			
	173,298	4	150,490	4
7950	<b>Less: Income tax expense (Note VI (XVIII))</b>			
	<u>(47,147)</u>	<u>(1)</u>	<u>(41,110)</u>	<u>(1)</u>
8200	<b>Net profit for the period</b>			
	<u>126,151</u>	<u>3</u>	<u>109,380</u>	<u>3</u>
	<b>Other comprehensive income (Note (XIX)):</b>			
8310	<b>Items that will not be reclassified to profit or loss</b>			
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income			
	21,261	1	1,499	-
8349	Income tax relating to items that will not be reclassified			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>21,261</u>	<u>1</u>	<u>1,499</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>			
8361	Exchange differences on translating the financial statements of foreign operations			
	876	-	68,015	2
8399	Income tax relating to items that may be reclassified			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>876</u>	<u>-</u>	<u>68,015</u>	<u>2</u>
	<b>Other comprehensive income (loss) for the period</b>			
	<u>22,137</u>	<u>1</u>	<u>69,514</u>	<u>2</u>
8500	<b>Total comprehensive income (loss) for the period</b>			
	<u>\$ 148,288</u>	<u>4</u>	<u>178,894</u>	<u>5</u>
	<b>Net profit in current period attributable to:</b>			
8610	Owners of the parent company			
	\$ 125,461	3	83,614	2
8615	Former owner of business combination under common control			
	-	-	(613)	-
8620	Non-controlling interests			
	690	-	26,379	1
	<u>\$ 126,151</u>	<u>3</u>	<u>109,380</u>	<u>3</u>
	<b>Total comprehensive income (loss) attributable to:</b>			
8710	Owners of the parent company			
	\$ 147,004	4	119,711	3
8715	Former owner of business combination under common control			
	-	-	(613)	-
8720	Non-controlling interests			
	1,284	-	59,796	2
	<u>\$ 148,288</u>	<u>4</u>	<u>178,894</u>	<u>5</u>
	<b>Earnings per share (Unit: In New Taiwan Dollars, Note VI (XX))</b>			
9750	<b>Basic earnings per share</b>			
	<u>\$ 1.10</u>		<u>0.73</u>	
9850	<b>Diluted earnings per share</b>			
	<u>\$ 1.09</u>		<u>0.73</u>	

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

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**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to March 31, 2023 and 2022**

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

	Equity attributable to owners of parent company												
	Retained earnings					Other equity items				Total equity attributable to owners of the parent company	Former owner of business combination under common control	Non-controlling interests	Total equity
	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				
<b>Balance as of January 1, 2022 (Restated)</b>	\$ 1,144,889	655,744	825,764	74,607	471,099	1,371,470	(134,871)	20,047	(114,824)	3,057,279	20,310	2,450,694	5,528,283
Net profit for the period	-	-	-	-	83,614	83,614	-	-	-	83,614	(613)	26,379	109,380
Other comprehensive income (loss) for the period	-	-	-	-	-	-	34,598	1,499	36,097	36,097	-	33,417	69,514
Total comprehensive income (loss) for the period	-	-	-	-	83,614	83,614	34,598	1,499	36,097	119,711	(613)	59,796	178,894
Profit distribution:													
Cash dividends for common shares	-	-	-	-	(366,364)	(366,364)	-	-	-	(366,364)	-	-	(366,364)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(69,711)	(69,711)
Cash dividend distributed from capital surplus	-	(45,796)	-	-	-	-	-	-	-	(45,796)	-	-	(45,796)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	79,375	79,375
Non-controlling interests adjustments	-	-	-	-	-	-	-	-	-	-	-	3,415	3,415
<b>Balance as of March 31, 2022 (Restated)</b>	<b>\$ 1,144,889</b>	<b>609,948</b>	<b>825,764</b>	<b>74,607</b>	<b>188,349</b>	<b>1,088,720</b>	<b>(100,273)</b>	<b>21,546</b>	<b>(78,727)</b>	<b>2,764,830</b>	<b>19,697</b>	<b>2,523,569</b>	<b>5,308,096</b>
<b>Balance as of January 1, 2023</b>	<b>\$ 1,144,889</b>	<b>608,586</b>	<b>887,332</b>	<b>114,822</b>	<b>529,843</b>	<b>1,531,997</b>	<b>(69,315)</b>	<b>31,274</b>	<b>(38,041)</b>	<b>3,247,431</b>	<b>-</b>	<b>2,577,359</b>	<b>5,824,790</b>
Net profit for the period	-	-	-	-	125,461	125,461	-	-	-	125,461	-	690	126,151
Other comprehensive income (loss) for the period	-	-	-	-	-	-	282	21,261	21,543	21,543	-	594	22,137
Total comprehensive income (loss) for the period	-	-	-	-	125,461	125,461	282	21,261	21,543	147,004	-	1,284	148,288
Profit distribution:													
Cash dividends for common shares	-	-	-	-	(457,955)	(457,955)	-	-	-	(457,955)	-	-	(457,955)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(52,145)	(52,145)
Disposition of unearned funds of employee stock ownership trust	-	33	-	-	-	-	-	-	-	33	-	-	33
<b>Balance as of March 31, 2023</b>	<b>\$ 1,144,889</b>	<b>608,619</b>	<b>887,332</b>	<b>114,822</b>	<b>197,349</b>	<b>1,199,503</b>	<b>(69,033)</b>	<b>52,535</b>	<b>(16,498)</b>	<b>2,936,513</b>	<b>-</b>	<b>2,526,498</b>	<b>5,463,011</b>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang



**Reviewed only, not audited in accordance with the auditing standards**

**DFI Inc. and its subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to March 31, 2023 and 2022**

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

	<u>January to March 2023</u>	<u>January to March 2022 (Restated)</u>
<b>Cash flows from operating activities:</b>		
Net profit before tax for the period	\$ 173,298	150,490
<b>Adjustment item:</b>		
Adjustments for		
Depreciation expenses	58,429	54,729
Amortization expenses	26,164	22,873
Expected credit (impairment loss) gain on reversal	(7,335)	3,009
Evaluation losses (gains) of financial assets measured at fair value through gains and losses	750	(1,529)
Interest expense	18,974	11,080
Interest income	(2,173)	(373)
Loss on disposal of property, plant and equipment	270	7
Gain on disposal of non-current assets held for sale	-	(948)
Gain on lease amendment	(2)	(525)
Total revenue, expense and loss items	<u>95,077</u>	<u>88,323</u>
Changes in assets/liabilities related to business activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as at fair value through profit or loss	(2,635)	830
Contract assets	(4,006)	-
Notes and accounts receivable	141,911	89,271
Accounts receivable from related parties	58,316	(782)
Other receivables	31,321	(2,723)
Inventories	275,803	(462,749)
Prepayments	18,143	(63,004)
Other current assets	(2,281)	1,272
Total net changes in assets related to operating activities	<u>516,572</u>	<u>(437,885)</u>
Net change in liabilities related to operating activities:		
Financial liabilities held for trading	(744)	4,055
Contract liabilities	(53,018)	(20,304)
Notes and accounts payables	(53,518)	99,270
Accounts payable to related parties	(33,026)	31,166
Other payables	(107,593)	(106,327)
Provisions	(3,660)	2,174
Other current liabilities	7,573	(1,718)
Net defined benefit liabilities	(578)	(3,131)
Total net changes in liabilities related to business activities	<u>(244,564)</u>	<u>5,185</u>
Total net changes in assets and liabilities related to operating activities	<u>272,008</u>	<u>(432,700)</u>
Total adjustment items	<u>367,085</u>	<u>(344,377)</u>
Cash generated from (used in) operations	540,383	(193,887)
Interest received	2,137	366
Interest paid	(19,627)	(11,207)
Income tax paid	(10,618)	(26,057)
<b>Net cash generated from (used in) operating activities</b>	<u>512,275</u>	<u>(230,785)</u>

(Please refer to notes to consolidated financial statements)

(Continued on the next page)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**Reviewed only, not audited in accordance with the auditing standards**  
**DFI Inc. and its subsidiaries**

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

**January 1 to March 31, 2023 and 2022**

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

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at amortized cost	-	(10)
Proceeds from sale of financial assets at amortized cost	1,880	9,000
Acquisition of subsidiaries (less cash obtained)	-	(22,507)
Proceeds from disposal of non-current assets held for sale	-	24,583
Purchase of property, plant and equipment	(4,105)	(85,128)
Proceeds from disposal of property, plant and equipment	88	-
Increase in refundable deposits	(462)	(127)
Purchase of intangible assets	(767)	(1,824)
Decrease (increase) in other non-current assets	862	(13,114)
<b>Net cash used in investing activities</b>	<b>(2,504)</b>	<b>(89,127)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	980,000	1,907,470
Repayments of short-term borrowings	(1,539,290)	(987,039)
Proceeds from long-term borrowings	550,000	100,000
Repayments of long-term borrowings	(670,054)	(805,000)
Repayment of the principal portion of lease	(23,964)	(20,012)
Disposition of unearned funds of employee stock ownership trust	33	-
<b>Net cash (used in) generated from financing activities</b>	<b>(703,275)</b>	<b>195,419</b>
<b>Effect of changes in exchange rate</b>	<b>(96)</b>	<b>72,907</b>
<b>Decrease in cash and cash equivalents for the current period</b>	<b>(193,600)</b>	<b>(51,586)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,690,474</b>	<b>1,549,815</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 1,496,874</b>	<b>1,498,229</b>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hung, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**Reviewed only, not audited in accordance with the auditing standards**

**DFI Inc. and its subsidiaries**

**Notes to Consolidated Financial Statements**

**For the three months ended March 31, 2023 and 2022**

**(The amount shall be dominated in thousands of NTD, unless otherwise specified)**

**I. Company History**

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

**II. Date and Procedures of Authorization of Financial Statements**

The consolidated financial statements were approved and issued by the board of directors on May 4, 2023.

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

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

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

1. Amendments to IAS 12, "Deferred Income Taxes on Assets and Liabilities Arising from a Single Transaction"

The amended provisions narrow the scope of the recognition exemption. When the initial recognition of the transaction generates an equal amount of taxable and deductible temporary differences, the recognition exemption is no longer applicable, and an equal amount of deferred income tax assets and deferred income tax liabilities should be recognized. This accounting change increased deferred income tax assets and deferred income tax liabilities by NTD27,934 thousand and NTD27,934 thousand respectively as of January 1, 2022; the deferred income tax assets and deferred income tax liabilities as of March 31, 2022 increased by NTD27,934 thousand and NTD27,934 thousand respectively; the deferred income tax assets and deferred income tax liabilities as of December 31, 2022 increased NTD30,261 thousand and NTD30,261 thousand respectively.

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

If the Group handled in accordance with the previous accounting policy in the first quarter of 2023, the deferred income tax assets and deferred income tax liabilities as of March 31, 2023 would be decreased by NTD30,261 thousand and NTD30,261 thousand respectively.

### 2. Others

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

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

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

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

New issued or amended standards	Main amendments	Effective date of issuance by IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	Current IAS 1 states that liabilities in which a business does not have an unconditional right to extend their maturity to at least twelve months after the reporting period should be classified as current. The amendments remove the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material.  The amendments clarify how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (e.g., convertible bonds).	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual provision"	After reconsidering certain aspects of the 2020 amendments to IAS 1, the new amendments clarify that only contractual terms followed on or before the reporting date will affect the classification of a liability as current or non-current.	January 1, 2024

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

New issued or amended standards	Main amendments	Effective date of issuance by IASB
	Contractual terms (i.e., future terms) that an enterprise is required to follow after the reporting date do not affect the classification of a liability at that date. However, when non-current liabilities are subject to future contractual terms, companies are required to disclose information to help users of their financial statements learn about the risk that these liabilities may be settled within 12 months of the reporting date	

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

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

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

#### IV. Summary of Significant Accounting Policies

##### (I) Statement of Compliance

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

Besides the descriptions mentioned below, the significant accounting policies adopted in

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

the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to Note IV of the consolidated financial statements for the year ended December 31, 2022.

### (II) Basis of Consolidation

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

Name of investor	Name of subsidiary	Nature of business	Comprehensive shareholding %			Description
			2023.3.31	2022.12.31	2022.3.31	
The Company	DFI AMERICA, LLC	Sales of industrial computer cards	100.00%	100.00%	100.00%	-
The Company	DFI Co., Ltd.	Sales of industrial computer cards	100.00%	100.00%	100.00%	-
The Company	Yan Tong Technology Ltd. (Yan Tong)	Investment business	100.00%	100.00%	100.00%	-
The Company	Diamond Flower Information (NL) B.V.	Sales of industrial computer cards	100.00%	100.00%	100.00%	-
The Company	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computer and peripheral devices	35.09%	35.09%	35.09%	Note 1
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	100.00%	100.00%	100.00%	-
Yan Tong	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	100.00%	100.00%	100.00%	-
The Company	AEWIN Technologies Co., Ltd. (AEWIN)	Design, manufacture and sale of industrial computer cards and related products	51.38%	51.38%	51.38%	-
AEWIN	Wise Way	Investment business	51.38%	51.38%	51.38%	-
AEWIN	Aewin Tech Inc.	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	51.38%	-
Wise Way	Bright Profit	Investment business	51.38%	51.38%	51.38%	-
Bright Profit	Aewin Beijing Technologies Co., Ltd. (Beijing AEWIN)	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	51.38%	-
Beijing AEWIN	Aewin(Shenzhen)Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	51.38%	-
The Company	Ace Pillar Co., Ltd. (Ace Pillar)	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	48.07%	48.07%	48.07%	-
Ace Pillar	Cyber South Management Ltd. (Cyber South)	Holding Company	48.07%	48.07%	48.07%	-

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

Name of investor	Name of subsidiary	Nature of business	Comprehensive shareholding %			Description
			2023.3.31	2022.12.31	2022.3.31	
Ace Pillar	Hong Kong Ace Pillar Enterprise Company Limited (Hong Kong ACE Pillar)	Trade of transmission mechanical components	48.07%	48.07%	48.07%	-
Ace Pillar/Proton/Cyber South	Tianjin Ace Pillar Co., Ltd. (Tianjin Ace Pillar)	Trade of transmission mechanical components	48.07%	48.07%	48.07%	-
Cyber South	Proton Inc.(Proton)	Holding Company	48.07%	48.07%	48.07%	-
Cyber South	Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	Holding Company	48.07%	48.07%	48.07%	-
Ace Tek	ADVANCEDTEK ACE (TJ) INC. (Quansheng Information)	Electronic system integration	48.07%	48.07%	48.07%	-
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd. (Suzhou Super Pillar)	Processing and technical services of mechanical transmission and control products	48.07%	48.07%	48.07%	-
Cyber South	Grace Transmission (Tianjin) Co., Ltd. (Tianjin Jinhao)	Manufacturing and processing of machinery transmission products	48.07%	48.07%	48.07%	-
Cyber South	Xuchang Ace AI Equipment Co.,Ltd.	Wholesale and retail of industrial robotic related products	-	-	48.07%	Note 4
Ace Pillar	ACE Energy Co., Ltd. (ACE Energy)	Energy Service Company	48.00%	48.00%	39.90%	Note 5
ACE Energy	BlueWalker GmbH (BWA)	Trading and services of energy management products	48.00%	48.00%	-	Note 3
Ace Pillar	Standard Technology Corporation (Standard Co.)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.84%	28.84%	28.84%	Note 2
Standard Co.	Standard Technology Corp. (STCBVI)	Holding Company	28.84%	28.84%	28.84%	Note 2
STCBVI	Standard International Trading (Shanghai) Co., Ltd. (Shanghai Standard)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.84%	28.84%	28.84%	Note 2

Note 1: According to the former equity purchase agreement 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.

Note 2: As stated in Note VI (VIII), Ace Pillar acquired 60% equity in Standard Co. and its subsidiaries on March 1, 2022 and gained control since then.

Note 3: As described in Note VI (VIII), Ace Pillar acquired 100% equity in BlueWalker GmbH on April 1, 2022, and subsequently, on December 1, 2022, the organizational structure was adjusted and ACE Energy acquired 100% equity of BWA from Ace Pillar.

Note 4: It has been fully liquidated on June 21, 2022 and deregistration has been completed.

Note 5: As mentioned in Note VI (VIII), Ace Pillar acquired 100% equity in ACE Energy, a subsidiary of Qisda Corporation, on July 1, 2022. The aforementioned transaction is a group restructuring under common control and should be regarded as an acquisition from the beginning. The Group has retroactively restated the consolidated financial statements for the three months ended March 31, 2022 when preparing the consolidated financial statements for the three months ended March 31, 2023.

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

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

### (III) Property, plant and equipment

#### 1. Recognition and measurement

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

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

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

#### 2. Subsequent costs

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

#### 3. Depreciation

Depreciation is calculated on the basis of the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful life of each component using the straight-line method. Except for land, which is not subject to depreciation, the estimated useful lives of the remaining components are. Machinery equipment: 2 to 10 years; Office and other equipment: 3 to 10 years. In addition, buildings and structures are depreciated over the estimated useful lives of their significant components. The estimated useful lives of the main building and auxiliary buildings are 20 to 60 years; the estimated useful lives of other auxiliary electrical and mechanical equipment and engineering systems are 3 to 10 years.

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

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

### (IV) Investment property

Investment property refers to property held to earn rentals or for capital appreciation, or both. Investment property is measured at cost when initially recognized, and subsequently measured at cost less accumulated depreciation and less accumulated impairment losses. The depreciation method, useful life, and residual values shall be compared with the regulations on property, plant, and equipment. Costs include expenses directly



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

attributable to the acquisition of investment property and any directly attributable costs of bringing investment property ready for use and borrowing costs capitalised.

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

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

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

### (V) Employee benefits

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

### (VI) Income taxes

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

Income tax expenses are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecast by the management, and the current income tax expenses and deferred income tax expenses are apportioned according to the estimated proportion of the current income tax expenses and deferred income tax expenses for the whole year.

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

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

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

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

In preparing the consolidated financial statements, the significant judgements and the major sources of estimation uncertainty made by the management in applying the accounting policies of the Group are consistent with Note V to the consolidated financial statements for the year ended December 31, 2022.

### VI. Description of Significant Accounting Items

Besides the descriptions mentioned below, the description of significant accounting items in the consolidated financial statements has no major differences from that in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2022.

#### (I) Cash and cash equivalents

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Cash on hand and petty cash	\$ 499	589	420
Demand deposits and check deposits	1,496,375	1,689,885	1,408,729
Time deposits with original maturity date within three months	-	-	89,080
	<u>\$ 1,496,874</u>	<u>1,690,474</u>	<u>1,498,229</u>

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

(II)	Financial instruments at fair value through profit or loss – current			<b>2022.3.31</b>
		<u>2023.3.31</u>	<u>2022.12.31</u>	<u>(Restated)</u>
	Financial assets mandatorily classified as at fair value through profit or loss:			
	Non-hedging derivative instruments:			
	Forward foreign exchange contracts	\$ 767	1,353	1,316
	Foreign exchange SWAP contracts	<u>3,255</u>	<u>34</u>	<u>239</u>
		4,022	1,387	1,555
	Non-derivative financial assets:			
	Fund beneficiary certificates	<u>25,321</u>	<u>26,071</u>	<u>27,672</u>
		<u>\$ 29,343</u>	<u>27,458</u>	<u>29,227</u>
	Financial liabilities held for trading:			
	Derivative financial instruments:			
	Forward foreign exchange contracts	\$ 3,585	1,106	1,164
	Foreign exchange SWAP contracts	<u>691</u>	<u>3,914</u>	<u>3,712</u>
		<u>\$ 4,276</u>	<u>5,020</u>	<u>4,876</u>

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

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

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

### 1. Forward foreign exchange contracts

<b>2023.3.31</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Buy JPY/Sell USD	USD 935	2023.04
Buy USD/Sell RMB	RMB 111,172	2023.04
Buy USD/Sell RMB	USD 1,000	2023.04
Buy RMB/Sell USD	USD 3,549	2023.04
Buy NTD/Sell USD	USD 700	2023.04
Buy USD/Sell Euro	USD 2,000	2023.04
Buy Euro/Sell in USD	USD 1,750	2023.04
<b>2022.12.31</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Buy JPY/Sell USD	USD 916	2023.01
Buy USD/Sell RMB	RMB 146,756	2023.01
Buy RMB/Sell USD	USD 2,800	2023.01
Buy NTD/Sell USD	USD 6,660	2023.01
Buy USD/Sell Euro	USD 800	2023.01
Buy Euro/Sell in USD	USD 1,100	2023.01
<b>2022.3.31 (Restated)</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Buy USD/Sell JPY	USD 430	2022.04
Buy USD/Sell RMB	USD 15,101	2022.04
Buy Euro/Sell in USD	Euro 2,018	2022.04

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

### 2. Foreign exchange SWAP contracts

<b>2023.3.31</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/ swap out USD	USD 35,530	2023.04
Swap in NTD/ swap out RMB	RMB 47,000	2023.04
<b>2022.12.31</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/ swap out USD	USD 30,630	2023.01
Swap in NTD/ swap out RMB	RMB 47,000	2023.01
<b>2022.3.31 (Restated)</b>		
<b>Currency</b>	<b>Contractual amount (In thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/ swap out USD	USD 24,030	2022.04

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

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31 (Restated)</b>
Equity instruments measured at fair value through other comprehensive income:			
Stocks of domestic listed (OTC) companies	\$ 90,101	68,840	42,758
Foreign unlisted (OTC) stocks	2,224	2,224	2,722
	<b>\$ 92,325</b>	<b>71,064</b>	<b>45,480</b>

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

The Group did not dispose of the above-mentioned strategic investments for the three months ended March 31, 2023 and 2022, and the gain or loss accumulated during those periods were not transferred to equity.

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

### (IV) Financial assets carried at amortized cost

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31 (Restated)</u>
Financial assets measured at amortized cost - current:			
Pledged certificate of deposit	\$ 3,325	2,325	12,319
Time deposits with original maturity date over 3 months	<u>4,352</u>	<u>7,232</u>	<u>16,580</u>
	<u><b>\$ 7,677</b></u>	<u><b>9,557</b></u>	<u><b>28,899</b></u>
Financial assets measured at amortized cost - non-current:			
Corporate bonds	<u><b>\$ 3,209</b></u>	<u><b>3,212</b></u>	<u><b>3,013</b></u>

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

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

### (V) Notes and accounts receivable and other receivables

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31 (Restated)</u>
Notes receivable	\$ 344,706	336,104	257,590
Accounts receivable	2,177,907	2,343,503	2,402,549
Accounts receivable from related parties	213,990	272,306	202,555
Less: Allowance for loss	<u>(45,364)</u>	<u>(67,816)</u>	<u>(38,646)</u>
	<u><b>\$ 2,691,239</b></u>	<u><b>2,884,097</b></u>	<u><b>2,824,048</b></u>
Other receivables	\$ 24,385	56,389	34,922
Other receivables from related parties	<u>1,218</u>	<u>556</u>	<u>973</u>
	<u><b>\$ 25,603</b></u>	<u><b>56,945</b></u>	<u><b>35,895</b></u>

The Group 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 Group's accounts receivable were analyzed as follows:

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

	<b>2023.3.31</b>		
	<b>Book-entry amounts of accounts receivable</b>	<b>Weighted average expected credit loss rate</b>	<b>Allowance for expected credit losses for the duration of the period</b>
Not overdue	\$ 1,891,265	0.07%	1,335
1-30 days overdue	174,087	2.96%	5,158
31-60 days overdue	60,413	7.84%	4,735
61-90 days overdue	16,996	13.12%	2,230
Overdue more than 90 days	<u>35,146</u>	90.78%	<u>31,906</u>
	<b><u>\$ 2,177,907</u></b>		<b><u>45,364</u></b>

	<b>2022.12.31</b>		
	<b>Book-entry amounts of accounts receivable</b>	<b>Weighted average expected credit loss rate</b>	<b>Allowance for expected credit losses for the duration of the period</b>
Not overdue	\$ 2,042,659	0.06%	1,321
1-30 days overdue	196,504	1.71%	3,368
31-60 days overdue	26,676	8.78%	2,342
61-90 days overdue	13,545	16.12%	2,184
Overdue more than 90 days	<u>64,119</u>	91.39%	<u>58,601</u>
	<b><u>\$ 2,343,503</u></b>		<b><u>67,816</u></b>

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

	<b>2022.3.31 (Restated)</b>		
	<b>Book-entry amounts of accounts receivable</b>	<b>Weighted average expected credit loss rate</b>	<b>Allowance for expected credit losses for the duration of the period</b>
Not overdue	\$ 2,133,560	0.06%	1,193
1-30 days overdue	178,557	2.78%	4,968
31-60 days overdue	41,790	7.67%	3,205
61-90 days overdue	14,665	10.13%	1,485
Overdue more than 90 days	<u>33,977</u>	81.81%	<u>27,795</u>
	<b><u>\$ 2,402,549</u></b>		<b><u>38,646</u></b>

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

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

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Beginning Balance	\$ 67,816	32,235
Provision (reversal) of impairment loss for the period	(7,335)	3,009
Impact from initial consolidation of subsidiary	-	3,140
Unrecoverable amount written off for current year	-	(882)
Estimated insurance claims on accounts receivable	(14,331)	-
Effect of exchange rate changes	<u>(786)</u>	<u>1,144</u>
Ending balance	<b><u>\$ 45,364</u></b>	<b><u>38,646</u></b>

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



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

### (VI) Inventories

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Raw materials	\$ 1,635,815	1,737,449	2,221,227
Work in progress	216,018	228,553	241,518
Manufactured goods and commodities	1,452,997	1,490,591	1,536,406
Goods in Transit	109,334	235,442	85,524
Outsourced processing products	126,629	124,561	73,595
	<u><u>\$ 3,540,793</u></u>	<u><u>3,816,596</u></u>	<u><u>4,158,270</u></u>

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

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> <u>(Restated)</u>
Cost of inventory sold	\$ 2,968,575	3,175,451
Inventory falling price loss (recovery benefit)	30,628	(2,095)
Inventory scrap loss	56	25
Inventory gain	(10,686)	-
	<u><u>\$ 2,988,573</u></u>	<u><u>3,173,381</u></u>

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

### (VII) Non-current assets held for sale

On May 21, 2021, the consolidated subsidiary Ace Pillar to sell the land and property in Sanchong District was resolved by the board of directors. Therefore, the carrying value of such property was transferred to the non-current assets held for sale, amounting to NTD117,125 thousand as of March 31, 2022. Some of the aforementioned assets have been sold in January and June 2022 with a net sale price of NTD24,583 thousand and NTD21,818 thousand respectively, the carrying amounts were NTD23,635 thousand and NTD 8,142 thousand respectively for the assets sold, the gains on disposal were NTD948 thousand and NTD13,676 thousand respectively.

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

On December 23, 2021, the consolidated subsidiary Tianjin Ace Pillar to sell the plant and land use rights in Tianjin Ace Pillar Pilot Free Trade Zone was resolved by the board of directors. Therefore, as of March 31, 2022, the total carrying amount of such plants of NTD266,263 thousand was transferred to non-current assets held for sale.

At the end of 2022, the management authority assessed that due to the impact of COVID-19 and the overall external economic environment, the above assets no longer meet the conditions for being classified as assets held for sale, so the amount of these assets was NTD346,592 thousand, which was reclassified under the property, plant, equipment, and right-of-use assets.

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

#### 1. Acquisition of subsidiaries - Standard Technology Corporation and its subsidiaries

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

On March 1, 2022 (the acquisition date), Ace Pillar, the consolidated subsidiary, acquired 4,680 thousand ordinary shares of Standard Technology Corporation (Standard Co.) with cash of NTD187,000 thousand and acquired a 60% equity, thereby obtaining control over this company and has included Standard Co. and its subsidiaries in the consolidated entities since the acquisition date. Standard Co. and its subsidiaries are principally engaged in the trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services. Standard Co. was acquired by the Group for the purpose of optimizing the layout of the semiconductor business, expanding its business and providing customers with comprehensive products and services.

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

(2) Net identifiable assets acquired

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

Transfer consideration:

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

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

During the measurement period, the Group continuously reviewed the above matters and adjusted the above intangible assets - customer relationships and non-controlling interests decreased by NTD18,509 thousand and NTD5,475 thousand respectively, other net liabilities decreased by NTD4,822 thousand, and goodwill increased by NTD8,212 thousand in 2022.

(3) Intangible assets

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

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

2. Acquisition of subsidiary - BlueWalker GmbH

(1) Consideration transferred for acquisition of the subsidiary

On April 1, 2022 (the acquisition date), the consolidated subsidiary Ace Pillar acquired 100% equity of BlueWalker GmbH (hereinafter referred to as BWA) with cash of NTD127,200 thousand (EUR4,000 thousand), thereby obtaining control over the company and incorporating it into the Group from the acquisition date. BWA is primarily engaged in the trading and services of energy management products. The Group acquired BWA mainly to enhance product diversification and expand product sales regions for the purpose of improving overall economic efficiency.

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

(2) Net identifiable assets acquired

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

Transfer consideration:

Cash		\$	127,200
Less: Fair value of net identifiable assets acquired:			
Cash and cash equivalents	\$	34,958	
Net notes and accounts receivable		27,389	
Inventories		72,990	
Prepayments and other current assets		2,746	
Property, plant and equipment		636	
Intangible assets - Computer Software		18	
Intangible assets - Client relationship		12,151	
Intangible assets - Trademark		12,822	
Other non-current assets		1,273	
Accounts payable		(33,314)	
Other payables		(14,545)	
Current income tax liabilities		(1,036)	
Contract liabilities - current		(624)	
Other current liabilities		(311)	
Long-term borrowings due within one year		(249)	
Long-term borrowings		(601)	
Deferred income tax liabilities		(4,994)	
Other non-current liabilities		(805)	108,504
Goodwill			<u>\$ 18,696</u>

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

During the measurement period, the Group continued to review the above matters and adjusted the decrease in intangible assets - customer relationships by NTD4,285 thousand and deferred income tax liabilities by NTD857 thousand in 2022, resulting in an increase in goodwill by NTD3,428 thousand.

(3) Intangible assets

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

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

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

(1) Consideration transferred for acquisition of the subsidiary

The consolidated subsidiary, Ace Pillar, paid NTD26,560 thousand in cash to Darly Venture, Inc., Darly2 Venture, Corp., and Darly Consulting Corporation, subsidiaries of Qisda Corporation, the parent company of the Group, on July 1, 2022 (acquisition date). Also, it paid NTD5,440 thousand to acquire a total of 10,000 thousand ordinary shares of ACE Energy from AU Optronics Corporation, a related party of the Group, accounting for 100% of the equity, thereby gaining control of the company. ACE Energy is principally engaged in energy technology services. The Group's acquisition of ACE Energy is mainly to respond to its long-term operational development and leverage its synergy.

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

(2) Net assets acquired

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

Transfer consideration:

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

As the merger is a group restructuring under common control, the transfer consideration paid by Ace Pillar exceeds the amount of the carrying amount of the aforementioned Qisda subsidiary's investment in ACE Energy. The Company reduced capital surplus amounted to NTD1,371 thousand, and reduced non-controlling interest amounted to NTD1,485 thousand in proportion to its shareholding.

4. Subsidiaries with material non-controlling interests

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

Name of subsidiary	Primary business premises/country of registration	Proportion of non-controlling interests in ownership interests		
		2023.3.31	2022.12.31	2022.3.31 (Restated)
Ace Pillar	Taiwan	51.93%	51.93%	51.93%
AEWIN	Taiwan	48.62%	48.62%	48.62%
Brainstorm	USA	64.91%	64.91%	64.91%

The summary financial information of the above subsidiaries is stated as follows,

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

prepared in accordance with IFRS endorsed by the FSC and reflecting adjustments made by the Group to the fair value and differences in accounting policies on the acquisition date, with the amount before elimination of the transactions between the Group, is as follows:

(1) Summary financial information of Ace Pillar:

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Current assets	\$ 2,294,831	2,359,687	2,963,658
Non-current assets	1,159,819	1,172,156	857,286
Current liabilities	(950,848)	(955,535)	(1,339,138)
Non-current liabilities	<u>(216,005)</u>	<u>(238,230)</u>	<u>(145,268)</u>
Net assets	<u>\$ 2,287,797</u>	<u>2,338,078</u>	<u>2,336,538</u>
Ending balance of			
non-controlling interests	<u>\$ 1,227,799</u>	<u>1,253,258</u>	<u>1,240,828</u>
Former owner of business combination under common control	<u>\$ -</u>	<u>-</u>	<u>19,697</u>

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> <u>(Restated)</u>
Net operating revenue	<u>\$ 800,140</u>	<u>948,302</u>
Net profit for the period	\$ (746)	32,356
Other comprehensive income	6,591	29,010
Total comprehensive income	<u>\$ 5,845</u>	<u>61,366</u>
Net profit for the period attributable to non-controlling interests	<u>\$ 118</u>	<u>18,081</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 3,688</u>	<u>33,574</u>

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> <u>(Restated)</u>
Cash flows from operating activities	\$ 69,525	(142,349)
Cash flows from investing activities	1,665	(2,994)
Cash flows from financing activities	(46,389)	38,827
Effect of changes in exchange rate	5,695	23,858
Increase (decrease) in cash and cash equivalents	<u>\$ 30,496</u>	<u>(82,658)</u>



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

### (2) Summary financial information on AEWIN

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
		<b>(Restated)</b>	<b>(Restated)</b>
Current assets	\$ 1,536,209	1,884,646	1,643,476
Non-current assets	1,078,614	1,092,177	991,348
Current liabilities	(911,949)	(1,234,006)	(1,030,748)
Non-current liabilities	(455,105)	(461,974)	(448,920)
Net assets	<b><u>\$ 1,247,769</u></b>	<b><u>1,280,843</u></b>	<b><u>1,155,156</u></b>
Ending balance of			
non-controlling interests	<b><u>\$ 604,370</u></b>	<b><u>620,453</u></b>	<b><u>559,354</u></b>

	<b>January to</b>	<b>January to</b>
	<b>March 2023</b>	<b>March 2022</b>
Operating revenue	<b><u>\$ 506,718</u></b>	<b><u>412,276</u></b>
Net profit for the period	\$ 12,727	12,803
Other comprehensive income	1,498	6,831
Total comprehensive income	<b><u>\$ 14,225</u></b>	<b><u>19,634</u></b>
Net profit for the period attributable to		
non-controlling interests	<b><u>\$ 6,186</u></b>	<b><u>6,222</u></b>
Total comprehensive income		
attributable to non-controlling		
interests	<b><u>\$ 6,914</u></b>	<b><u>9,543</u></b>

	<b>January to</b>	<b>January to</b>
	<b>March 2023</b>	<b>March 2022</b>
Cash flows from operating activities	\$ (442)	132,523
Cash flows from investing activities	(10,356)	(38,019)
Cash flows from financing activities	(161,412)	57,183
Effect of changes in exchange rate	1,817	8,603
Increase (decrease) in cash and cash		
equivalents	<b><u>\$ (170,393)</u></b>	<b><u>160,290</u></b>

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

(3) Summary financial information on Brainstorm:

	<b>2023.3.31</b>	<b>2022.12.31 (Restated)</b>	<b>2022.3.31 (Restated)</b>
Current assets	\$ 1,478,750	1,412,116	1,685,156
Non-current assets	715,698	738,434	764,806
Current liabilities	(853,818)	(788,169)	(1,031,650)
Non-current liabilities	<u>(117,971)</u>	<u>(125,366)</u>	<u>(150,886)</u>
Net assets	<b><u>\$ 1,222,659</u></b>	<b><u>1,237,015</u></b>	<b><u>1,267,426</u></b>
Ending balance of non-controlling interests	<b><u>\$ 694,329</u></b>	<b><u>703,648</u></b>	<b><u>723,387</u></b>

	<b>January to March 2023</b>	<b>January to March 2022</b>
Net operating revenue	<b><u>\$ 1,271,896</u></b>	<b><u>1,517,807</u></b>
Net profit (loss) for the period	<b><u>\$ (7,818)</u></b>	<b><u>3,198</u></b>
Net profit (loss) for the period attributable to non-controlling interests	<b><u>\$ (5,614)</u></b>	<b><u>2,076</u></b>

	<b>January to March 2023</b>	<b>January to March 2022</b>
Cash flows from operating activities	\$ 218,951	(2,888)
Cash flows from investing activities	(848)	(12,864)
Cash flows from financing activities	(99,844)	62,143
Effect of changes in exchange rate	<u>(213)</u>	<u>3,436</u>
Increase in cash and cash equivalents	<b><u>\$ 118,046</u></b>	<b><u>49,827</u></b>

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

### (IX) Property, plant and equipment

	Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:							
Balance as of January 1, 2023	\$ 962,980	1,715,650	507,204	82,012	466,706	816	3,735,368
Addition	-	81	781	1,224	1,306	711	4,103
Disposal	-	-	(69)	(7,814)	(3,340)	-	(11,223)
Reclassification	(91,754)	(42,711)	588	-	-	(588)	(134,465)
Effect of changes in exchange rate	-	2,366	(45)	245	478	-	3,044
Balance as of March 31, 2023	<u>\$ 871,226</u>	<u>1,675,386</u>	<u>508,459</u>	<u>75,667</u>	<u>465,150</u>	<u>939</u>	<u>3,596,827</u>
Balance as of January 1, 2022 (Restated)	\$ 932,159	1,411,272	483,635	65,225	371,456	23,649	3,287,396
Acquired through business combination	-	-	-	7,300	2,926	-	10,226
Addition	-	46,795	846	4,817	11,697	20,905	85,060
Disposal	-	-	(3,569)	(960)	(6,377)	-	(10,906)
Reclassification	(34,752)	(16,456)	6,187	1,417	3,392	(24,841)	(65,053)
Effect of changes in exchange rate	-	5,007	169	1,266	2,814	495	9,751
Balance as of March 31, 2022 (Restated)	<u>\$ 897,407</u>	<u>1,446,618</u>	<u>487,268</u>	<u>79,065</u>	<u>385,908</u>	<u>20,208</u>	<u>3,316,474</u>
Accumulated depreciation and impairment loss:							
Balance as of January 1, 2023	\$ -	300,796	337,443	59,729	244,304	-	942,272
Depreciation	-	12,625	9,565	1,830	10,183	-	34,203
Disposal	-	-	(69)	(7,785)	(3,011)	-	(10,865)
Reclassification	-	(17,233)	-	-	-	-	(17,233)
Effect of changes in exchange rate	-	515	(25)	258	209	-	957
Balance as of March 31, 2023	<u>\$ -</u>	<u>296,703</u>	<u>346,914</u>	<u>54,032</u>	<u>251,685</u>	<u>-</u>	<u>949,334</u>
Balance as of January 1, 2022 (Restated)	\$ -	248,703	300,302	50,864	210,188	-	810,057
Acquired through business combination	-	-	-	5,540	1,845	-	7,385
Depreciation	-	10,323	15,350	1,467	7,604	-	34,744
Disposal	-	-	(3,591)	(954)	(6,355)	-	(10,900)
Reclassification	-	(2,368)	46	-	(46)	-	(2,368)
Effect of changes in exchange rate	-	3,568	76	1,162	2,122	-	6,928
Balance as of March 31, 2022 (Restated)	<u>\$ -</u>	<u>260,226</u>	<u>312,183</u>	<u>58,079</u>	<u>215,358</u>	<u>-</u>	<u>845,846</u>
Book value:							
March 31, 2023	<u>\$ 871,226</u>	<u>1,378,683</u>	<u>161,545</u>	<u>21,635</u>	<u>213,465</u>	<u>939</u>	<u>2,647,493</u>
January 1, 2023	<u>\$ 962,980</u>	<u>1,414,854</u>	<u>169,761</u>	<u>22,283</u>	<u>222,402</u>	<u>816</u>	<u>2,793,096</u>
March 31, 2022 (Restated)	<u>\$ 897,407</u>	<u>1,186,392</u>	<u>175,085</u>	<u>20,986</u>	<u>170,550</u>	<u>20,208</u>	<u>2,470,628</u>

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

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

### (X) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportati on equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance as of January 1, 2023	\$ 49,689	440,544	9,495	499,728
Addition	-	3,371	1,178	4,549
Decrease	-	(26,926)	(1,612)	(28,538)
Effect of changes in exchange rate	<u>53</u>	<u>89</u>	<u>(54)</u>	<u>88</u>
Balance as of March 31, 2023	<u><b>\$ 49,742</b></u>	<u><b>417,078</b></u>	<u><b>9,007</b></u>	<u><b>475,827</b></u>
Balance as of January 1, 2022 (Restated)	\$ 21,238	339,968	9,044	370,250
Acquired through business combination	-	6,237	443	6,680
Decrease	-	(49,340)	-	(49,340)
Effect of changes in exchange rate	<u>1,032</u>	<u>5,175</u>	<u>226</u>	<u>6,433</u>
Balance as of March 31, 2022 (Restated)	<u><b>\$ 22,270</b></u>	<u><b>302,040</b></u>	<u><b>9,713</b></u>	<u><b>334,023</b></u>
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2023	\$ 5,282	132,773	6,056	144,111
Depreciation	601	22,460	953	24,014
Decrease	-	(26,804)	(1,612)	(28,416)
Effect of changes in exchange rate	<u>1</u>	<u>(299)</u>	<u>(28)</u>	<u>(326)</u>
Balance as of March 31, 2023	<u><b>\$ 5,884</b></u>	<u><b>128,130</b></u>	<u><b>5,369</b></u>	<u><b>139,383</b></u>
Balance as of January 1, 2022 (Restated)	\$ 2,138	97,888	2,446	102,472
Acquisition through business combination (Note VI (VIII))	-	1,132	27	1,159
Depreciation	138	19,006	841	19,985
Decrease	-	(27,548)	-	(27,548)
Effect of changes in exchange rate	<u>807</u>	<u>2,299</u>	<u>66</u>	<u>3,172</u>
Balance as of March 31, 2022 (Restated)	<u><b>\$ 3,083</b></u>	<u><b>92,777</b></u>	<u><b>3,380</b></u>	<u><b>99,240</b></u>
Book value:				
March 31, 2023	<u><b>\$ 43,858</b></u>	<u><b>288,948</b></u>	<u><b>3,638</b></u>	<u><b>336,444</b></u>
January 1, 2023	<u><b>\$ 44,407</b></u>	<u><b>307,771</b></u>	<u><b>3,439</b></u>	<u><b>355,617</b></u>
March 31, 2022 (Restated)	<u><b>\$ 19,187</b></u>	<u><b>209,263</b></u>	<u><b>6,333</b></u>	<u><b>234,783</b></u>

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

(XI) Investment property

Investment properties of the Group are detailed as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Costs:			
Balance as of January 1, 2023	\$ -	-	-
Transfer from property, plant and equipment	<u>91,754</u>	<u>42,711</u>	<u>134,465</u>
Balance as of March 31, 2023	<u><b>\$ 91,754</b></u>	<u><b>42,711</b></u>	<u><b>134,465</b></u>
Accumulated depreciation and impairment loss:			
Balance as of January 1, 2023	\$ -	-	-
Transfer from property, plant and equipment	-	17,233	17,233
Depreciation for the current period	<u>-</u>	<u>212</u>	<u>212</u>
Balance as of March 31, 2023	<u><b>\$ -</b></u>	<u><b>17,445</b></u>	<u><b>17,445</b></u>
Carrying amount:			
March 31, 2023	<u><b>\$ 91,754</b></u>	<u><b>25,266</b></u>	<u><b>117,020</b></u>
Fair value:			
March 31, 2023			<u><b>\$ 164,892</b></u>

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

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

### (XII) Intangible assets

	<u>Goodwill</u>	<u>Trademark</u>	<u>Client relationship</u>	<u>Computer software</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2023	\$ 446,272	582,091	211,435	141,019	1,380,817
Separate Acquisition	-	-	-	767	767
Write-off for the current period	-	-	-	(1,024)	(1,024)
Effects of exchange rate changes	-	-	-	(226)	(226)
Balance as of March 31, 2023	<u>\$ 446,272</u>	<u>582,091</u>	<u>211,435</u>	<u>140,536</u>	<u>1,380,334</u>
Balance as of January 1, 2022 (Restated)	\$ 349,846	562,692	129,493	90,061	1,132,092
Acquisition through business combination (Notes VI (VIII))	67,937	-	92,585	2,014	162,536
Business combinations adjusted during the measurement period	(1,847)	6,577	-	-	4,730
Separate Acquisition	-	-	-	1,824	1,824
Effects of exchange rate changes	-	-	-	46	46
Balance as of March 31, 2022 (Restated)	<u>\$ 415,936</u>	<u>569,269</u>	<u>222,078</u>	<u>93,945</u>	<u>1,301,228</u>
Accumulated amortization:					
Balance as of January 1, 2023	\$ -	95,840	77,892	86,058	259,790
Amortization	-	14,552	5,805	5,807	26,164
Write-off for the current period	-	-	-	(1,024)	(1,024)
Effects of exchange rate changes	-	-	-	(24)	(24)
Balance as of March 31, 2023	<u>\$ -</u>	<u>110,392</u>	<u>83,697</u>	<u>90,817</u>	<u>284,906</u>
Balance as of January 1, 2022 (Restated)	\$ -	37,513	51,820	68,306	157,639
Acquisition through business combination (Notes VI (VIII))	-	-	-	975	975
Amortization	-	14,670	5,463	2,740	22,873
Effects of exchange rate changes	-	-	-	27	27
Balance as of March 31, 2022 (Restated)	<u>\$ -</u>	<u>52,183</u>	<u>57,283</u>	<u>72,048</u>	<u>181,514</u>
Book value:					
Balance as of March 31, 2023	<u>\$ 446,272</u>	<u>471,699</u>	<u>127,738</u>	<u>49,719</u>	<u>1,095,428</u>
Balance as of January 1, 2023	<u>\$ 446,272</u>	<u>486,251</u>	<u>133,543</u>	<u>54,961</u>	<u>1,121,027</u>
Balance as of March 31, 2022 (Restated)	<u>\$ 415,936</u>	<u>517,086</u>	<u>164,795</u>	<u>21,897</u>	<u>1,119,714</u>

According to International Accounting Standards 36, the goodwill acquired by a business combination shall be tested for impairment at least every year. There is no goodwill loss according to the impairment test result of the Group on December 31, 2022, please refer to Note VI (XI) of the Consolidated Financial Statements of 2022. On March 31, 2023, the Group evaluated the achievement of operating revenue and net operating income in the first quarter of 2023, and the budget assessment of future operating revenue and profit, and there was no impairment.

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

### (XIII) Short-term borrowings

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Unsecured bank loans	\$ 1,247,478	1,774,218	2,256,547
Secured bank loans	79,757	111,802	110,605
	<u>\$ 1,327,235</u>	<u>1,886,020</u>	<u>2,367,152</u>
Unused lines of credit	<u>\$ 6,407,613</u>	<u>5,584,243</u>	<u>3,964,152</u>
Range of interest rate	<u>1.62%~7.25%</u>	<u>1.50%~7.00%</u>	<u>0.6%~4.25%</u>

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

### (XIV) Long-term borrowings

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Unsecured bank loans	\$ 1,180,608	1,300,653	700,000
Secured bank loans	250,000	250,000	345,000
Less: Part due within one year	(608)	(653)	(20,000)
	<u>\$ 1,430,000</u>	<u>1,550,000</u>	<u>1,025,000</u>
Unused lines of credit	<u>\$ 50,000</u>	<u>100,000</u>	<u>700,000</u>
Year of maturity	<u>2024~2026</u>	<u>2023~2024</u>	<u>2023~2024</u>
Range of interest rate	<u>1.83%~5.83%</u>	<u>1.72%~5.83%</u>	<u>1.02%~1.3%</u>

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

### (XV) Lease liabilities

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

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Current	<u>\$ 85,846</u>	<u>86,451</u>	<u>63,584</u>
Non-current	<u>\$ 222,983</u>	<u>241,693</u>	<u>160,900</u>

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

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

The amounts recognized as profit and loss are as follows:

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Interest expense on lease liabilities	<u>\$ 1,872</u>	<u>1,120</u>
Short-term leases expenses and lease expenses of low-value assets	<u>\$ 7,711</u>	<u>9,054</u>
COVID-19-related rent concessions (recognized as a decrease in lease expense)	<u>\$ (3,450)</u>	<u>-</u>

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

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Total cash outflow for leases	<u>\$ 30,097</u>	<u>30,186</u>

Important lease clauses:

1. Lease of land, buildings and structures

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

2. Other leases

The Group has leased the transport equipment with a period of 1 to 3 years. In addition, the Group has leased offices and office equipment and other assets with a period of no longer than one year. Such leases are short-term leases or leases of low-value assets, and the Group has selected to apply the provision of exemption from recognition and not recognized them as relevant right-of-use assets and lease liabilities.



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

### (XVI) Provisions - current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> (Restated)
Provision for warranty	<u>\$ 47,576</u>	<u>51,236</u>	<u>48,421</u>

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

### (XVII) Employee benefits

#### 1. Defined benefit plans

Since there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the reporting date of the prior fiscal year, the Group adopted the actuarially determined pension cost on December 31, 2022 and 2021 to measure and disclose pension costs for interim periods.

The reported expenses of the Group are detailed as follows:

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> (Restated)
Operating costs	\$ 96	110
Operating expenses	45	(4)
	<u>\$ 141</u>	<u>106</u>

#### 2. Defined contribution plans

The reported expenses of the Group are detailed as follows:

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> (Restated)
Operating costs	\$ 3,166	2,876
Operating expenses	13,351	11,633
	<u>\$ 16,517</u>	<u>14,509</u>

### (XVIII) Income taxes

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

	<u>January to</u> <u>March 2023</u>	<u>January to</u> <u>March 2022</u> (Restated)
Current income tax expense	\$ 46,302	42,800
Deferred income tax expenses (benefits)	845	(1,690)
	<u>\$ 47,147</u>	<u>41,110</u>

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

### 2. Circumstances of income tax approval

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

### (XIX) Capital and other equities

Besides the descriptions mentioned below, there were no significant changes in capital and other equities in the consolidated financial statements for the three months ended March 31, 2023 and 2022. For the related information, please refer to Note VI (XVIII) of the consolidated financial statements for the year ended December 31, 2022.

#### 1. Share capital - Ordinary shares

As on March 31, 2023, December 31 and March 31, 2022, the total authorized capital of the Company was NTD1,772,000 thousand, which was divided into 177,200 thousand shares at NTD10 per share. The number of issued shares were both 114,489 thousand shares. The share capital reserved for the issuance of the exercise of employee share options was 20,000 thousand shares.

#### 2. Capital surplus

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

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u> <u>(Restated)</u>
Share premium	\$ 578,204	578,204	579,575
Recognized changes in percentage of ownership interests in subsidiaries	5,967	5,967	5,962
Gain on asset disposal	808	808	808
Others	<u>23,640</u>	<u>23,607</u>	<u>23,603</u>
	<u>\$ 608,619</u>	<u>608,586</u>	<u>609,948</u>

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. 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. The realized capital surplus as termed in the preceding sentence includes the proceeds from the shares issued at a premium over the face value and the income from the acceptance of donations. Pursuant to the provision of

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

the processing standard for negotiable securities offering and issuance by issuers, the capital surplus shall be accrued out of the capital, and the total amount accrued every year shall be no higher than ten percent of the paid-in capital.

### 3. Retained earnings and dividend policy

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

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

#### (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.

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

(2) Special reserve

Under the regulations issued by the Financial Supervisory Commission, when distributing the earnings distribution, for the difference between the net deductibles of other shareholders' equity incurred in the current year and the balance of special surplus reserve stated in the account, the Company shall accrue the special surplus reserve in the same amount out of the amount of current after-tax net income added to the current unappropriated earnings, including items other than current after-tax net income and the unappropriated earnings in the previous period, and for the deductibles of other shareholders' equity accumulated in the previous period, the Company shall not distribute the special surplus reserve in the same amount accrued out of the unappropriated earnings in the previous period. If other deductibles of shareholders' equity are reversed in future, the Company shall distribute the profit with the reversed part.

4. Distribution of earnings

On March 2, 2023 and March 3, 2022, the Board of Directors of the Company resolved the amount of cash dividends and cash distributions from capital reserves in the earnings distribution proposal for the years ended December 31, 2022 and 2021, respectively. The amounts of dividends distributed to owners of ordinary shares are as follows:

	2022		2021	
	Dividend per share (NTD)	Amount	Dividend per share (NTD)	Amount
Dividends distributed to owners of common stock:				
Cash dividends	\$ 4.0	<u>457,955</u>	3.2	<u>366,364</u>
Cash distribution from capital surplus	-	<u>-</u>	0.4	<u>45,796</u>

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

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

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

	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2023	\$ (69,315)	31,274	(38,041)
Exchange difference from conversion of net assets of foreign operating organizations	282	-	282
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	21,261	21,261
Balance as of March 31, 2023	<u>\$ (69,033)</u>	<u>52,535</u>	<u>(16,498)</u>
Balance as of January 1, 2022 (Restated)	\$ (134,871)	20,047	(114,824)
Exchange difference from conversion of net assets of foreign operating organizations	34,598	-	34,598
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	1,499	1,499
Balance as of March 31, 2022 (Restated)	<u>\$ (100,273)</u>	<u>21,546</u>	<u>(78,727)</u>

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

	January to March 2023	January to March 2022 (Restated)
Beginning Balance	\$ 2,577,359	2,450,694
Shares attributable to non-controlling interests:		
Net profit for the period		26,379
Exchange differences on translating the financial statements of foreign operations		33,417
Non-controlling interests adjustments	-	3,415
Cash dividends distributed by subsidiaries to non-controlling interests	(52,145)	(69,711)
Increase in non-controlling interests in subsidiaries acquired	-	79,375
Ending balance	<u>\$ 2,526,498</u>	<u>2,523,569</u>

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

### (XX) Earnings per share

#### 1. Basic earnings per share

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Net profit attributable to ordinary shareholders of the Company	<b>\$ 125,461</b>	<b>83,614</b>
Weighted average number of outstanding ordinary shares (in thousands of shares)	<b>114,489</b>	<b>114,489</b>
Basic earnings per share (NTD)	<b>\$ 1.10</b>	<b>0.73</b>

#### 2. Diluted earnings per share

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Net profit attributable to ordinary shareholders of the Company	<b>\$ 125,461</b>	<b>83,614</b>
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	114,489
Effects of potential ordinary shares with dilution effect (in thousands of shares):		
Effects of employee stock compensation	659	724
Weighted average number of outstanding ordinary shares (after adjusting the number of dilution potential common shares) (in thousands of shares)	<b>115,148</b>	<b>115,213</b>
Diluted earnings per share (NTD)	<b>\$ 1.09</b>	<b>0.73</b>

### (XXI) Revenue from customer contracts

#### 1. Breakdown of revenue

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Main products and services:		
Industrial computer cards and systems	\$ 1,593,607	1,301,139
Industrial automation control	525,049	864,336
Computer components	1,271,896	1,517,807
Others	429,489	201,126
	<b>\$ 3,820,041</b>	<b>3,884,408</b>

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

### 2. Balance of contracts

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31 (Restated)</b>
Notes and accounts receivable (including related parties)	\$ 2,736,603	2,951,913	2,862,694
Less: Allowance for loss	<u>(45,364)</u>	<u>(67,816)</u>	<u>(38,646)</u>
	<b><u>\$ 2,691,239</u></b>	<b><u>2,884,097</u></b>	<b><u>2,824,048</u></b>
Contract assets	<b><u>\$ 4,006</u></b>	<u>-</u>	<u>-</u>
Contract liabilities	<b><u>\$ 152,223</u></b>	<b><u>205,241</u></b>	<b><u>186,323</u></b>

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

The contract assets and liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Group transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities as of January 1, 2023 and 2022 were recognized as income of NTD88,963 thousand and NTD80,605 thousand, respectively, for the three months ended March 31, 2023 and 2022.

### (XXII) Compensation of employees and directors

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

For the three months ended March 31, 2023 and 2022, the estimated employee compensations of the Company were NTD11,897 thousand and NTD7,552 thousand, respectively, and the estimated director compensations were NTD1,266 thousand and NTD803 thousand, respectively, which were estimated based on the Company's pre-tax net income before deducting the compensations of employees and directors multiplied by the Company's proposed distribution rate of compensations of employees and directors for each period, and were reported as operating costs or operating expenses for each such period. If the actually distributed amount of next year is different from the estimate, the

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

difference will be treated as an accounting estimate change and listed in the profit and loss of next year.

The estimated amount of compensation for employees in 2022 and 2021 were NTD47,852 thousand and NTD53,437 thousand respectively, while for directors were NTD5,091 thousand and NTD5,685 thousand respectively. There is no difference from the distribution amount resolved by the board of directors of the Company, and all would be distributed in cash. For the related information, please refer to MOPS.

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

#### 1. Interest income

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Interest on bank deposit	\$ 2,108	363
Interest income from financial assets measured at amortized cost	28	10
Interest on deposits	3	-
Others	34	-
	<b><u>\$ 2,173</u></b>	<b><u>373</u></b>

#### 2. Other income

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Rental income	\$ 1,786	1,502
Others	4,313	5,947
	<b><u>\$ 6,099</u></b>	<b><u>7,449</u></b>

#### 3. Other gain and loss

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Loss on disposal of property, plant and equipment	\$ (270)	(7)
Gain on disposal of non-current assets held for sale(Note VI (VII))	-	948
Gain (loss) on foreign exchange	(2,785)	40,954
Loss on financial instruments at fair value through profit or loss	(12,545)	(27,183)
Other expenditures	493	466
	<b><u>\$ (15,107)</u></b>	<b><u>15,178</u></b>



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

### 4. Finance costs

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Bank interest expenses	\$ 17,102	9,960
Financial expenses on lease liabilities	1,872	1,120
	<b><u>\$ 18,974</u></b>	<b><u>11,080</u></b>

### (XXIV) Financial instruments

Besides the descriptions mentioned below, there are no significant changes in the fair value of financial instruments, and credit risk, liquidity risk, and market risk due to the exposure of financial instruments of the Group. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2022.

#### 1. Types of financial instruments

##### (1) Financial assets

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31 (Restated)</b>
Financial assets at fair value through profit or loss - current	\$ 29,343	27,458	29,227
Financial assets at fair value through other comprehensive income - non-current	92,325	71,064	45,480

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31 (Restated)</b>
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,496,874	1,690,474	1,498,229
Financial assets at amortized cost - current	7,677	9,557	28,899
Notes receivable, accounts receivable, and other receivables (including related parties)	2,716,842	2,941,042	2,859,943
Financial assets at amortized cost - non-current	3,209	3,212	3,013

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

	2023.3.31	2022.12.31	2022.3.31 (Restated)
Refundable deposits	33,103	32,641	35,199
Subtotal	4,257,705	4,676,926	4,425,283
Total	<b>\$ 4,379,373</b>	<b>4,775,448</b>	<b>4,499,990</b>

### (2) Financial liabilities

	2023.3.31	2022.12.31	2022.3.31 (Restated)
Financial liabilities at fair value through profit or loss - current	\$ 4,276	5,020	4,876
Financial liabilities measured by amortized cost:			
Short-term borrowings	1,327,235	1,886,020	2,367,152
Notes payable, accounts payable and other payables (including related parties)	3,005,155	2,690,266	3,494,978
Long-term borrowings (including the part due within one year)	1,430,608	1,550,653	1,045,000
Lease liabilities (including current and non-current)	308,829	328,144	224,484
Subtotal	6,071,827	6,455,083	7,131,614
Total	<b>\$ 6,076,103</b>	<b>6,460,103</b>	<b>7,136,490</b>

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

### 2. Liquidity risk

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

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>5 years and above</u>
<b>March 31, 2023</b>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,332,461	1,332,461	-	-	-
Long-term borrowings (including the part due within one year)	1,466,761	28,266	1,387,670	50,825	-
Notes payable, accounts payable and other payables (including related parties)	3,005,155	3,005,155	-	-	-
Lease liabilities (including current and non-current)	<u>324,419</u>	<u>92,039</u>	<u>75,895</u>	<u>114,440</u>	<u>42,045</u>
Subtotal	<u>6,128,796</u>	<u>4,457,921</u>	<u>1,463,565</u>	<u>165,265</u>	<u>42,045</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	796,229	796,229	-	-	-
Inflow	(793,411)	(793,411)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	1,289,301	1,289,301	-	-	-
Inflow	<u>(1,291,865)</u>	<u>(1,291,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>254</u>	<u>254</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 6,129,050</u></b>	<b><u>4,458,175</u></b>	<b><u>1,463,565</u></b>	<b><u>165,265</u></b>	<b><u>42,045</u></b>
<b>December 31, 2022</b>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 1,895,352	1,895,352	-	-	-
Long-term borrowings (including the part due within one year)	1,576,485	31,155	1,545,330	-	-
Notes payable, accounts payable and other payables (including related parties)	2,690,266	2,690,266	-	-	-
Lease liabilities (including current and non-current)	<u>345,324</u>	<u>92,984</u>	<u>77,718</u>	<u>128,867</u>	<u>45,755</u>
Subtotal	<u>6,507,427</u>	<u>4,709,757</u>	<u>1,623,048</u>	<u>128,867</u>	<u>45,755</u>

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

	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5 years and above</b>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	1,024,820	1,024,820	-	-	-
Inflow	(1,025,067)	(1,025,067)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	1,147,274	1,147,274	-	-	-
Inflow	(1,143,394)	(1,143,394)	-	-	-
Subtotal	<u>3,633</u>	<u>3,633</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 6,511,060</b></u>	<u><b>4,713,390</b></u>	<u><b>1,623,048</b></u>	<u><b>128,867</b></u>	<u><b>45,755</b></u>
<b>March 31, 2022 (Restated)</b>					
Non-derivative financial liabilities:					
Short-term borrowings					
	\$ 2,375,438	2,375,438	-	-	-
Long-term borrowings (including the part due within one year)					
	1,066,907	31,857	626,618	408,432	-
Notes payable, accounts payable and other payables (including related parties)					
	3,494,978	3,494,978	-	-	-
Lease liabilities (including current and non-current)					
	<u>232,783</u>	<u>66,297</u>	<u>43,010</u>	<u>66,592</u>	<u>56,884</u>
Subtotal	<u>7,170,106</u>	<u>5,968,570</u>	<u>669,628</u>	<u>475,024</u>	<u>56,884</u>
Derivative financial liabilities:					
Forward foreign exchange contracts - gross delivery					
Outflow	508,564	508,564	-	-	-
Inflow	(508,716)	(508,716)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	687,857	687,857	-	-	-
Inflow	(684,384)	(684,384)	-	-	-
Subtotal	<u>3,321</u>	<u>3,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 7,173,427</b></u>	<u><b>5,971,891</b></u>	<u><b>669,628</b></u>	<u><b>475,024</b></u>	<u><b>56,884</b></u>

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

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

### 3. Exchange rate risk

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

<b>2023.3.31</b>					
	<b>Foreign Currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Changes in exchange rates</b>	<b>Profit and loss influence (before tax)</b>
<u>Financial assets</u>					
<u>Monetary items</u>					
USD (Note 1)	\$	69,610	30.4800	2,121,716	1%
USD (Note 2)		5,572	6.8685	169,821	1%
RMB		47,664	4.4377	211,521	1%
JPY		35,983	0.2286	8,226	1%
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD (Note 1)		28,552	30.4800	870,265	1%
USD (Note 2)		19,529	6.8685	595,242	1%
JPY		14,372	0.2286	3,285	1%
<b>2022.12.31</b>					
	<b>Foreign Currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Changes in exchange rates</b>	<b>Profit and loss influence (before tax)</b>
<u>Financial assets</u>					
<u>Monetary items</u>					
USD (Note 1)	\$	83,777	30.7300	2,574,467	1%
USD (Note 2)		5,293	6.9750	162,660	1%
RMB		47,649	4.4057	209,927	1%
JPY		35,611	0.2330	8,297	1%
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD (Note 1)		37,432	30.7300	1,150,278	1%
USD (Note 2)		24,608	6.9750	756,188	1%
JPY		44,051	0.2330	10,264	1%

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

2022.3.31 (Restated)						
	Foreign Currency	Exchange rate	NTD	Changes in exchange rates	Profit and loss influence (before tax)	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD (Note 1)	\$	74,243	28.6000	2,123,350	1%	21,234
USD (Note 2)		6,980	6.3600	199,628	1%	1,996
RMB		1,240	4.4969	5,576	1%	56
JPY		40,738	0.2349	9,569	1%	96
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD (Note 1)		36,812	28.6000	1,052,823	1%	10,528
USD (Note 2)		26,182	6.3600	748,805	1%	7,488
JPY		18,431	0.2349	4,329	1%	43

Note 1: Exchange rate between USD and NTD.

Note 2: Exchange rate between USD and RMB.

Due to the wide variety of functional currencies of the Group, the exchange gain or loss of monetary items are disclosed through consolidation. Please refer to Note VI (XXIII) for details of foreign currency exchange (loss) gain (including realized and unrealized) for the three months ended March 31, 2023 and 2022.

#### 4. Fair Value

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

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

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

The Group's financial assets/liabilities measured 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

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

fair value levels are defined as follows:

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

	2023.3.31			
	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	\$ -	767	-	767
Derivative financial instruments - Foreign exchange swaps contract	-	3,255	-	3,255
Fund beneficiary certificates	25,321	-	-	25,321
	<u>\$ 25,321</u>	<u>4,022</u>	<u>-</u>	<u>29,343</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	\$ 90,101	-	-	90,101
Foreign unlisted stocks	-	-	2,224	2,224
	<u>\$ 90,101</u>	<u>-</u>	<u>2,224</u>	<u>92,325</u>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	\$ -	(3,585)	-	(3,585)
Derivative financial instruments - Foreign exchange swaps contract	-	(691)	-	(691)
Subtotal	<u>\$ -</u>	<u>(4,276)</u>	<u>-</u>	<u>(4,276)</u>

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

	2022.12.31			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	1,353	-	1,353
Derivative financial instruments - Foreign exchange swaps contract	-	34	-	34
Fund beneficiary certificates	<u>26,071</u>	<u>-</u>	<u>-</u>	<u>26,071</u>
	<u><b>\$ 26,071</b></u>	<u><b>1,387</b></u>	<u><b>-</b></u>	<u><b>27,458</b></u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	\$ 68,840	-	-	68,840
Foreign unlisted stocks	<u>-</u>	<u>-</u>	<u>2,224</u>	<u>2,224</u>
	<u><b>\$ 68,840</b></u>	<u><b>-</b></u>	<u><b>2,224</b></u>	<u><b>71,064</b></u>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	\$ -	(1,106)	-	(1,106)
Derivative financial instruments - Foreign exchange swaps contract	<u>-</u>	<u>(3,914)</u>	<u>-</u>	<u>(3,914)</u>
Subtotal	<u><b>\$ -</b></u>	<u><b>(5,020)</b></u>	<u><b>-</b></u>	<u><b>(5,020)</b></u>



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

	2022.3.31 (Restated)			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	\$ -	1,316	-	1,316
Derivative financial instruments - Foreign exchange swaps contract	-	239	-	239
Fund beneficiary certificates	<u>27,672</u>	<u>-</u>	<u>-</u>	<u>27,672</u>
	<u><b>\$ 27,672</b></u>	<u><b>1,555</b></u>	<u><b>-</b></u>	<u><b>29,227</b></u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	\$ 42,758	-	-	42,758
Foreign unlisted stocks	<u>-</u>	<u>-</u>	<u>2,722</u>	<u>2,722</u>
	<u><b>\$ 42,758</b></u>	<u><b>-</b></u>	<u><b>2,722</b></u>	<u><b>45,480</b></u>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	\$ -	(1,164)	-	(1,164)
Derivative financial instruments - Foreign exchange swaps contract	<u>-</u>	<u>(3,712)</u>	<u>-</u>	<u>(3,712)</u>
	<u><b>\$ -</b></u>	<u><b>(4,876)</b></u>	<u><b>-</b></u>	<u><b>(4,876)</b></u>

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

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

A. Non-derivative financial instruments

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

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

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

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

The Group employs the asset approach to estimate fair values of unlisted stocks without active market and infers their fair values with total market values of individual assets and individual liabilities covered by the valuation subject as well as other factors.

B. Derivative financial instruments

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

- (4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the three months ended March 31, 2023 and 2022.

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

(5) Detailed statement on changes in level 3

Financial assets at fair value through other comprehensive income:

	<u>January to March 2023</u>	<u>January to March 2022</u>
Beginning Balance	\$ 2,224	1,288
Impact from initial consolidation of subsidiary	-	1,434
Ending balance	<u>\$ 2,224</u>	<u>2,722</u>

(XXV) Financial risk management

There were no significant changes in the objectives and policies of the Group's financial risk management compared to those disclosed in the consolidated financial statements for the year ended December 31, 2022.

(XXVI) Capital management

There were no significant changes in the objectives, policies and procedures of the Group's financial risk management compared to those disclosed in the consolidated financial statements for the year ended December 31, 2022.

(XXVII) Investment and financing activities not in cash

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

	<u>2023.1.1</u>	<u>Cash Flows</u>	<u>Non-cash change</u>		<u>2023.3.31</u>
			<u>Increase or decrease in lease liabilities</u>	<u>Exchange rate changes</u>	
Short-term borrowings	\$ 1,886,020	(559,290)	-	505	1,327,235
Long-term borrowings (including the part due within one year)	1,550,653	(120,054)	-	9	1,430,608
Lease liabilities	328,144	(23,964)	4,425	224	308,829
Total liabilities from financing activities	<u>\$ 3,764,817</u>	<u>(703,308)</u>	<u>4,425</u>	<u>738</u>	<u>3,066,672</u>

	<u>2022.1.1 (Restated)</u>	<u>Cash Flows</u>	<u>Impact from initial consolidation of subsidiary</u>	<u>Non-cash change</u>		<u>2022.3.31 (Restated)</u>
				<u>Increase or decrease in lease liabilities</u>	<u>Exchange rate changes</u>	
Short-term borrowings	\$ 1,311,304	920,431	122,161	-	13,256	2,367,152
Long-term borrowings (including the part due within one year)	1,750,000	(705,000)	-	-	-	1,045,000
Lease liabilities	257,374	(20,012)	5,464	(22,317)	3,975	224,484
Total liabilities from financing activities	<u>\$ 3,318,678</u>	<u>195,419</u>	<u>127,625</u>	<u>(22,317)</u>	<u>17,231</u>	<u>3,636,636</u>

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

### VII. Related Party Transactions

(I) Parent company and ultimate controller

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

(II) Names and relationships of related parties

The related parties having transactions with the Group during the period under the consolidated balance sheet are as follows:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Parent company of the Company
Other related parties:	
Partner Technology Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Alpha Networks Inc.	Directly/indirectly controlled subsidiary of Qisda
BenQ Materials Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Asia Pacific Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ AB DentCare Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Healthcare Corporation	Directly/indirectly controlled subsidiary of Qisda
Metaguru Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Co., Ltd (BQC)	Directly/indirectly controlled subsidiary of Qisda (Note)
BenQ (Shanghai) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
BenQ Intelligent Technology (Shanghai) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
BenQ America Corp.	Directly/indirectly controlled subsidiary of Qisda
Simula Technology Inc.	Directly/indirectly controlled subsidiary of Qisda
Golden Spirit Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Data Image Corporation	Directly/indirectly controlled subsidiary of Qisda
Action Star Technology Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Metaage Corporation	Directly/indirectly controlled subsidiary of Qisda
AdvancedTEK International Corp.	Directly/indirectly controlled subsidiary of Qisda
Global Intelligence Network Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Concord Medical Co. Ltd.	Directly/indirectly controlled subsidiary of Qisda
Webest Solution Corporation	Directly/indirectly controlled subsidiary of Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Qisda (Suzhou) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Darly2 Venture, Inc.	Directly/indirectly controlled subsidiary of Qisda
Darly Consulting Corporation	Directly/indirectly controlled subsidiary of Qisda
AU Optronics Corporation (AUO)	Corporate director valuing Qisda under equity approach
AUO Digitech Taiwan Inc.	Direct/indirect subsidiary of AUO
AUO Display Plus Corp.	Direct/indirect subsidiary of AUO
AUO Crystal Corporation	Direct/indirect subsidiary of AUO

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

Name of related party	Relationship with the Group
Darwin Precisions Corporation	Direct/indirect subsidiary of AUO
Visco Vision Inc.	Related enterprise of Qisda
Darfon Electronics Corporation (Darfon)	Related enterprise of Qisda
BenQ Foundation	Substantive related party of Qisda
Suzhou BenQ Foundation	Substantive related party of Qisda
Aewin Korea Technologies Co., Ltd.	Substantive related party of AEWIN
Giantech Corp.	Substantial related party of Brainstorm
Dolica Corporation	Substantial related party of Brainstorm

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

### (III) Material transactions with related party

#### 1. Net operating income

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

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Parent company	\$ 44,085	12,683
Other related parties	109,763	71,761
	<b><u>\$ 153,848</u></b>	<b><u>84,444</u></b>

Sales of the Group to related parties involve customary products made to order based on the customer demand, so the price is determined by both parties through negotiation. The credit term for related parties is 60 - 120 days after shipment, and 30 - 180 days for non-related parties.

#### 2. Purchases

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

	<b>January to March 2023</b>	<b>January to March 2022 (Restated)</b>
Parent company	\$ 98,206	104,206
Other related parties	5,772	5,825
	<b><u>\$ 103,978</u></b>	<b><u>110,031</u></b>

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

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

days after monthly settlement for non-related parties.

### 3. Lease

The Group has leased plants and offices from the parent company and other related parties respectively and signed the lease contracts based on the rent prices in the adjacent areas.

The Group has recognized interest expenses of NTD318 thousand and NTD381 thousand for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, December 31 and March 31, 2022, the balances of related lease liabilities were NTD110,668 thousand, NTD114,094 thousand, and NTD126,565 thousand, respectively.

### 4. Property transactions

<u>Category of related party</u>	<u>Item</u>	<u>January to March 2023</u>	<u>January to March 2022 (Restated)</u>
Other related parties	Property, plant and equipment	\$ -	334
Other related parties	Intangible assets	-	984
		<u>\$ -</u>	<u>1,318</u>

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

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

<u>Item</u>	<u>Category of related party</u>	<u>January to March 2023</u>	<u>January to March 2022 (Restated)</u>
Operating costs	Parent company	\$ 2,911	3,271
	Other related parties	4,877	2,437
Operating expenses	Parent company	856	1,069
	Other related parties	7,247	3,587
Other income	Parent company	54	-
	Other related parties	1,357	1,357

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

### 6. Receivables from related parties

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

Item	Category of related party	2023.3.31	2022.12.31	2022.3.31 (Restated)
Accounts receivable from related parties	Parent company	\$ 121,243	147,835	121,783
	Other related parties	<u>92,747</u>	<u>124,471</u>	<u>80,772</u>
		<u>213,990</u>	<u>272,306</u>	<u>202,555</u>
Other receivables	Parent company	722	55	-
	Other related parties	<u>496</u>	<u>501</u>	<u>973</u>
		<u>1,218</u>	<u>556</u>	<u>973</u>
		<u>\$ 215,208</u>	<u>272,862</u>	<u>203,528</u>

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

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

### 7. Accounts payable to related parties

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

Item	Category of related party	2023.3.31	2022.12.31	2022.3.31 (Restated)
Accounts payable to related parties	Parent company	\$ 78,849	115,348	94,825
	Other related parties	5,310	1,837	3,693
		84,159	117,185	98,518
Other payables	Parent company	7,345	4,298	6,229
	Other related parties	3,766	3,711	3,866
		11,111	8,009	10,095
Other payables- dividends payable	Parent company	206,440	-	185,796
	Other related parties	45,875	-	41,288
		252,315	-	227,084
Lease liabilities - current	Parent company	13,802	13,763	13,520
	Other related parties	-	-	2,255
Lease liabilities - non-current	Parent company	96,866	100,331	110,089
	Other related parties	-	-	701
		110,668	114,094	126,565
		\$ 458,253	239,288	462,262

### (I) Compensation of main managerial officers

	January to March 2023	January to March 2022 (Restated)
Short-term employee benefits	\$ 12,506	11,737



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

### VIII. Pledged Assets

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

<u>Asset name</u>	<u>Subject matter of pledge guarantee</u>	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31 (Restated)</u>
Pledged certificate of deposit	Performance bond for release before tax to customs house	\$ 3,325	2,325	2,319
Pledged certificate of deposit	Bank loan guarantee	-	-	10,000
Notes receivable	Bank loan guarantee	79,757	11,802	70,605
Property, plant and equipment	Bank loan guarantee	452,083	454,165	459,276
Property, plant and equipment	Performance guarantee for purchases	30,197	29,979	-
		<u>\$ 565,362</u>	<u>498,271</u>	<u>542,200</u>

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

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

**X. Significant Disaster Losses: None.**

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

### XII. Miscellaneous

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

By function	January to March 2023			January to March 2022 (Restated)		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
<b>By Nature</b>						
Employee benefits expenses						
Salary expense	70,209	294,227	364,436	72,717	276,181	348,898
Labor and health insurance expenses	7,134	31,007	38,141	6,525	26,789	33,314
Pension expense	3,262	13,396	16,658	2,986	11,629	14,615
Other employee benefit expenses	5,428	10,615	16,043	4,188	8,847	13,035
Depreciation expenses	22,936	35,493	58,429	26,383	28,346	54,729
Amortization expenses	993	25,171	26,164	449	22,424	22,873

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

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

### XIII. Supplementary Disclosures

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

Unit: Share

Name of major shareholder	Shares	Number of shares	Shareholding ratio
Qisda Corporation		51,609,986	45.08%
Gordias Investments Limited of British Virgin Islands Merchant		15,734,441	13.74%
Darly2 Venture, Inc.		9,175,109	8.01%
Hyllus Investments Limited of British Virgin Islands Merchant		8,559,818	7.47%

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

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

### XIV. Segment Information

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

	January to March 2023					
	Board cards and system segment	Industrial automation control segment	Computer components	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 1,748,005	531,589	1,271,896	268,551	-	3,820,041
Inter-departmental income	5,165	90	-	-	(5,255)	-
Total income	<u>\$ 1,753,170</u>	<u>531,679</u>	<u>1,271,896</u>	<u>268,551</u>	<u>(5,255)</u>	<u>3,820,041</u>
Reportable department profit or loss	<u>\$ 198,155</u>	<u>(14,086)</u>	<u>(4,159)</u>	<u>18,497</u>	<u>700</u>	<u>199,107</u>

	January to March 2022 (Restated)					
	Board cards and system segment	Industrial automation control segment	Computer components	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 1,418,301	868,653	1,517,807	79,647	-	3,884,408
Inter-departmental income	7,765	1,809	-	-	(9,574)	-
Total income	<u>\$ 1,426,066</u>	<u>870,462</u>	<u>1,517,807</u>	<u>79,647</u>	<u>(9,574)</u>	<u>3,884,408</u>
Reportable department profit or loss	<u>\$ 94,329</u>	<u>29,431</u>	<u>8,612</u>	<u>5,498</u>	<u>700</u>	<u>138,570</u>

**DFI Inc. and its subsidiaries**  
**Loan of funds to others**  
**From January 1 to March 31, 2023**

Table 1

Unit: In Thousands of New Taiwan Dollars

No.	Financing Company	Loan recipient	Transaction item	Related Party	Maximum amount in current period	Ending balance	Amount actually drawn in current period	Range of interest rate	Nature for financing	Business Transaction Amounts	Reason for Short-term Financing	Allowance for bad debts recognized	Collateral		Financing Limits for Each Borrowing Company	Total Financing Limits
													Name	Value		
1	AEWIN	Beijing AEWIN	Other receivables from related parties	Yes	71,021	71,021	71,021	-	1	519,389	Business Interaction	-	-	-	249,560	499,120
2	Ace Pillar	Tianjin ACE Pillar	Other receivables from related parties	Yes	222,650	221,885	177,508	-	2	-	Operating capital fund	-	-	-	399,941	799,882
2	Ace Pillar	Suzhou Super Pillar	Other receivables from related parties	Yes	89,060	88,754	31,064	-	2	-	Operating capital fund	-	-	-	399,941	799,882
3	Cyber South	Tianjin ACE Pillar	Other receivables from related parties	Yes	21,385	21,336	21,336	-	2	-	Operating capital fund	-	-	-	572,746	572,746
4	Proton	Tianjin ACE Pillar	Other receivables from related parties	Yes	12,220	12,192	12,192	-	2	-	Operating capital fund	-	-	-	449,365	449,365

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

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

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

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

Note 5: "1" for those with the nature for financing arising from business transaction; "2" for those have a need for short-term financing.

Note 6: The transactions of the Company's loans to subsidiaries had been written off when the consolidated financial statements were prepared.

**DFI Inc. and its subsidiaries**  
**Marketable securities held at the end of the period (excluding the investments in subsidiaries, related enterprises and equity joint ventures)**  
**From January 1 to March 31, 2023**

Table 2

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

Holder	Type and name of marketable securities	Relationship with the issuer of securities	Item	End of period				Remarks
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
The Company	Beneficiary certificates: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	25,321	-	25,321	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,487	90,101	4.03%	90,101	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	790	16.67%	790	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	-	1.42%	-	-
Standard Co.	Stock: Intelligent fluids GmbH	-	Financial assets at fair value through other comprehensive income - non-current	27	-	1.71%	-	-
Standard Co.	Stock: COMPITEK CORP PTE LTD (CPL)	-	Financial assets at fair value through other comprehensive income - non-current	36	1,434	6.28%	1,434	-
STCBVI	Bonds: Biogen Inc	-	Financial assets measured at amortized cost - non-current	USD 100	3,209	-	3,209	-

**DFI Inc. and its subsidiaries**  
**The amount of purchases or sales with related parties reached NTD100 million or 20% and above of the paid-in capital**  
**From January 1 to March 31, 2023**

Table 3

Unit: In Thousands of New Taiwan Dollars

Purchaser/Seller	Name of Counterparty	Relationship	Transaction status				Situation and reason for difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remarks
			Purchase/Sales	Amount	Proportion to total purchase/sales	Credit period	Unit price	Credit period	Balance	Proportion to total notes and accounts receivable (payable)	
DFI AMERICA, LLC.	The Company	Parent company and subsidiary	Purchases	222,500	91.56%	60-90 days to collect	-	30-90 days to collect	(114,689)	99.05%	-
The Company	DFI AMERICA, LLC.	Parent company and subsidiary	(Sales)	(222,500)	18.06%	60-90 days to collect	-	30-90 days to collect	114,689	12.86%	-
Diamond Flower Information (NL) B.V	The Company	Parent company and subsidiary	Purchases	128,969	99.39%	60-90 days to collect	-	30-90 days to collect	(61,248)	100%	Note 1
The Company	Diamond Flower Information (NL) B.V	Parent company and subsidiary	(Sales)	(128,969)	10.47%	60-90 days to collect	-	30-90 days to collect	61,248	6.87%	Note 1
AEWIN	The Company	Parent company and subsidiary	Purchases	124,800	37.23%	Payment term of 90 days	-	Payment term of 60-90 days to collect	(131,349)	51.76%	Note 1
The Company	AEWIN	Parent company and subsidiary	(Sales)	(124,800)	10.13%	Payment term of 90 days	-	Payment term of 60-90 days to collect	131,349	14.73%	Note 1

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

**DFI Inc. and its subsidiaries**  
**Receivables from related parties reached NTD100 million or 20% and above of paid-in capital**  
**From January 1 to March 31, 2023**

Table 4

Unit: In Thousands of New Taiwan Dollars

Company of receivables	Name of Counterparty	Relationship	Balance of receivable from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
The Company	Qisda	Parent company and subsidiary	100,574	1.54	-	-	44,077	-
The Company	AEWIN	Parent company and subsidiary	131,349	2.97	-	-	41,505	-
The Company	DFI AMERICA, LLC.	Parent company and subsidiary	114,689	6.91	-	-	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	433,804	0.50	112,004	Strengthen collection	-	-
Ace Pillar	Tianjin ACE Pillar	Parent company and subsidiary	177,508	-	-	-	-	-

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

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

Table 5

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Name of trader	Name of counterparty	Relationship with trader (Note 2)	Transaction situation			
				Item	Amount	Transaction terms	Proportion to consolidated revenue or asset (Note 7)
0	The Company	DFI AMERICA, LLC.	1	(Sales)	(222,500)	60-90 days to collect	5.82%
0	The Company	Diamond Flower Information (NL) B.V.	1	(Sales)	(128,969)	60-90 days to collect	3.38%
0	The Company	DFI Co., Ltd.	1	(Sales)	(62,109)	60-90 days to collect	1.63%
0	The Company	AEWIN	1	(Sales)	(124,800)	Payment term of 90 days	3.27%
0	The Company	AEWIN	1	Accounts receivable	131,349	Payment term of 90 days	1.06%
1	AEWIN	Beijing AEWIN	3	(Sales)	(59,903)	(Note 5)	1.57%
1	AEWIN	Beijing AEWIN	3	Accounts receivable	433,804	(Note 5)	3.50%
1	AEWIN	Aewin Tech Inc.	3	(Sales)	(43,437)	(Note 6)	1.14%
2	Ace Pillar	Tianjin ACE Pillar	3	Other receivables - borrowings	177,508	One year	1.43%

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

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

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

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

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

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

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

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

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



**DFI Inc. and its subsidiaries**  
**Reinvestment and related information**  
**From January 1 to March 31, 2023**

Table 6

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

Investor	Name of investee	Location	Primary business	Original investment amount		Ending shareholding			Profit (loss) of the investee for the period	Investment profit (loss) recognized for the period	Remarks (Note 2)
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	DFI AMERICA, LLC.	USA	Sales of industrial computer cards	254,683	254,683	1,209	100%	379,541	1,083	1,083	Subsidiary of the Company
The Company	Yan Tong	Mauritius	General investment business	107,198	107,198	3,500	100%	111,757	(4,017)	(4,010)	Subsidiary of the Company
The Company	DFI Co., Ltd	Japan	Sales of industrial computer cards	104,489	104,489	6	100%	124,874	4,345	4,345	Subsidiary of the Company
The Company	Diamond Flower Information (NL) B.V	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100%	114,684	10,285	10,285	Subsidiary of the Company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer mainboards and related products	564,191	564,191	30,376	51.38%	634,131	14,403	6,541	Subsidiary of the Company
The Company	Ace Pillar	Taiwan	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	1,301,359	1,301,359	53,958	48.07%	1,059,366	2,426	(864)	Subsidiary of the Company
The Company	Brainstorm	USA	Wholesale and retail of computer and peripheral devices	501,582	501,582	233	35.09%	528,330	2,736	(3,036)	Subsidiary of the Company
AEWIN	Wise Way	Anguilla	Investment business	46,129	46,129	1,500	100%	127,051	(11,597)	(Note 1)	Subsidiary indirectly controlled by the Company
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer and peripheral equipment and software	77,791	77,791	2,560	100%	19,477	320	(Note 1)	Subsidiary indirectly controlled by the Company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100%	178,174	(11,597)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100%	572,746	(12,829)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Hong Kong ACE Pillar	Hong Kong	Trade of transmission mechanical components	5,120	5,120	1,200	100%	46,367	(270)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100%	449,365	(13,516)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100%	2,285	94	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Standard Co.	Taiwan	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	187,000	187,000	4,680	60%	211,796	3,950	(Note 1)	Subsidiary indirectly controlled by the Company
Standard Co.	Standard Technology Corp.	BVI	Holding Company	21,727	21,727	600	100%	117,304	1,647	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	ACE Energy	Taiwan	Energy Service Company	166,760	166,760	4,993	99.86%	189,115	12,246	(Note 1)	Subsidiary indirectly controlled by the Company
ACE Energy	BlueWalker GmbH	Germany	Trading and services of energy management products	138,804	138,804	(Note 3)	100%	152,827	7,266	(Note 1)	Subsidiary indirectly controlled by the Company

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

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

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

**DFI Inc. and its subsidiaries**  
**Information on investments in mainland China**  
**From January 1 to March 31, 2023**

Table 7

1. Information on Reinvestment in Mainland China:

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

Investee in mainland China	Primary business	Paid-in capital	Investment method	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated investment amount remitted from Taiwan at the end of current period	Current profit (loss) of the investee in the period	Shareholding ratio of direct or indirect investment of the Company	Investment profit (loss) recognized in the period	Ending carrying value of investment	Repatriated investment income as of the end of the period
					Remitted	Repatriated						
Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	69,200 (USD 2,500 )	(Note 1)	-	-	-	-	(872)	100%	(872) (Note 2)	57,242	33,306
Yan Ying Hao Trading (Shenzhen) Co. Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	13,840 (USD 500 )	(Note 1)	-	-	-	-	(2,952)	100%	(2,952) (Note 2)	49,551	-
Beijing AEWIN	Wholesale of computers and peripheral equipment and software	46,129 (USD 1,500 )	(Note 1)	46,129 (USD 1,500 )	-	-	46,129 (USD 1,500 )	(11,597)	100%	(11,597) (Note 3)	178,168	-
Aewin (Shenzhen)	Wholesale of computers and peripheral equipment and software	15,265 (RMB 3,500 )	(Note 5)	-	-	-	-	624 (RMB 143 )	100%	624 (RMB 143 ) (Note 3)	(1,542) (RMB (347) )	-
Tianjin ACE Pillar	Trade of transmission mechanical components	1,075,853 (USD 35,297 )	(Note 1)	59,436 (USD 1,950 )	-	-	59,436 (USD 1,950 )	(16,360)	100%	(16,360) (Note 3)	532,767	125,533
Tianjin Jinhao	Manufacturing and processing of machinery transmission products	7,411 (RMB 1,670 )	(Note 1)	4,877 (USD 160 )	-	-	4,877 (USD 160 )	7	100%	7 (USD - ) (Note 3)	4,200 (USD 138 )	-
Quansheng Information	Electronic system integration	9,144 (USD 300 )	(Note 1)	4,572 (USD 150 )	-	-	4,572 (USD 150 )	94	100%	94 (USD 3 ) (Note 3)	2,259 (USD 74 )	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	44,196 (USD 1,450 )	(Note 1)	- (Note 4)	-	-	- (Note 4)	1,106	100%	1,106 (USD 36 ) (Note 3)	109,748 (USD 3,601 )	-
Shanghai Standard	Trading of semiconductor photoelectric equipment and consumables	14,630 (USD 480 )	(Note 1)	14,630 (USD 480 )	-	-	14,630 (USD 480 )	1,623	100%	1,623 (Note 3)	113,979	118,686

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

Note 2: It is recognized in line with the financial report prepared by the investee on its own and not reviewed by the accountant.

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

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

Note 5: It is a mainland China-based company reinvested by Beijing AEWIN.

2. Limit of investment in mainland China:

Name of investor	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	0 (Note 1)	63,551 (Note 3 and Note 4) (USD 2,085 )	3,277,807
AEWIN	46,129 (USD 1,500 )	60,960 (USD 2,000 )	748,680
Ace Pillar	156,027 (USD 5,119 )	156,027 (USD 5,119 )	1,254,241
Standard Co.	14,630 (USD 480 )	14,630 (USD 480 )	103,644

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

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

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

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

3. Material transactions with investees in mainland China:

Please refer to the statement under the "Information on Significant Transactions" for the direct or indirect material transactions between the Group and the investees in mainland China from January 1 to March 31, 2023 (these transactions had been written off when the consolidated financial statements were prepared).