

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2020 AND 2019**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of Delta Electronics, Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Delta Electronics, Inc. and its subsidiaries (the “Group”) as at June 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the related consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard (IAS) No. 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these interim financial statements based on our reviews and the review reports of other independent auditors.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, “Review of Financial Statements”. A review of interim financial information 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 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 explained in Notes 4(3)B and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$16,611,572 thousand and NT\$28,886,936 thousand,

constituting 5.19% and 8.83% of the consolidated total assets, and total liabilities of NT\$6,779,152 thousand and NT\$6,020,294 thousand, constituting 4.39% and 3.95% of the consolidated total liabilities as at June 30, 2020 and 2019, respectively, and total comprehensive (loss) income of (NT\$71,990) thousand and NT\$44,586 thousand, constituting (1.09%) and 0.30% of the consolidated total comprehensive income for the three months then ended, respectively, and (NT\$205,250) thousand and NT\$208,047 thousand, constituting (4.11%) and 1.02% of the consolidated total comprehensive income for the six months then ended, respectively.

Qualified Conclusion

Based on our reviews and the review reports of other independent auditors as described in the Other Matter–Review Reports By Other Independent Auditors section of our report, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2020 and 2019, and of its consolidated financial performance for the three-month periods ended June 30, 2020 and 2019, and for the six-month periods ended June 30, 2020 and 2019 and its consolidated cash flows for the six month periods ended June 30, 2020 and 2019 in accordance with the “Rules Governing the Preparation of Financial Reports by Securities Issuers” and IAS No. 34, “Interim Financial Reporting” as endorsed by the FSC.

Other Matter – Review Reports By Other Independent Auditors

We did not review the financial statements of certain consolidated subsidiaries and investment accounted for under the equity method. Total assets of the subsidiaries amounted to NT\$50,519,478 thousand and NT\$50,962,362 thousand, constituting 15.78% and 15.58% of the consolidated total assets as at June 30, 2020 and 2019, respectively, and total operating revenues amounted to NT\$12,590,958 thousand and NT\$13,824,046 thousand, constituting 17.81% and 18.84% of the consolidated total operating revenues for the three months then ended, respectively, and NT\$24,537,427 thousand and NT\$15,536,215 thousand, constituting 19.42% and 12.19% of the consolidated total operating revenues for the six months then ended, respectively. The share of profit of associates and joint ventures accounted

for under the equity method and share of other comprehensive income of associates and joint ventures accounted for under the equity method was NT\$0 and NT\$429,060 thousand, constituting 0% and 2.11% of the consolidated total comprehensive income for the three months and six months ended June 30, 2019, respectively. Those financial statements and the information disclosed in Note 13 were reviewed by other independent auditors whose reports thereon have been furnished to us, and our conclusion expressed herein, is based solely on the review reports of other independent auditors.

The consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the six months ended June 30, 2020 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$29.63 to US\$1.00 at June 30, 2020. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

July 29, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and review report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2020, DECEMBER 31, 2019 AND JUNE 30, 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(THE BALANCE SHEETS AS OF JUNE 30, 2020 AND 2019 ARE UNAUDITED)

Assets	Notes	US Dollars		New Taiwan Dollars	
		June 30, 2020	June 30, 2020	December 31, 2019	June 30, 2019
Current assets					
Cash and cash equivalents	6(1)	\$ 1,663,516	\$ 49,289,984	\$ 43,960,001	\$ 44,201,138
Financial assets at fair value through profit or loss - current	6(2)	34,269	1,015,400	1,122,458	1,266,729
Financial assets at fair value through other comprehensive income - current	6(3)	3,762	111,475	319,823	331,726
Contract assets - current		47,242	1,399,771	1,087,489	1,840,453
Notes receivable, net	6(5)	100,211	2,969,244	3,816,628	3,981,226
Accounts receivable, net	6(5)	1,824,158	54,049,793	52,955,106	59,337,845
Accounts receivable - related parties	7	1,070	31,700	263,644	391,017
Other receivables		51,679	1,531,246	1,479,625	1,479,755
Other receivables - related parties	7	4	116	532	4,933
Current income tax assets		12,049	357,018	372,654	470,496
Inventories	6(7)	1,481,920	43,909,300	39,316,423	42,993,236
Prepayments		82,468	2,443,527	2,400,734	2,417,784
Other current assets	8	34,319	1,016,858	463,074	515,086
Total current assets		5,336,667	158,125,432	147,558,191	159,231,424
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	69,128	2,048,271	2,225,239	2,501,509
Financial assets at fair value through other comprehensive income - non-current	6(3)	49,420	1,464,309	1,797,301	2,216,035
Contract assets - non-current		8,496	251,744	304,338	354,400
Investments accounted for under the equity method	6(8)	28,100	832,608	1,138,920	1,220,409
Property, plant and equipment	6(9) and 8	2,208,162	65,427,828	63,590,981	62,303,813
Right-of-use assets	6(10)	103,323	3,061,471	3,113,833	3,544,166
Investment property, net	6(11)	475	14,070	14,070	14,070
Intangible assets	6(12)	2,712,285	80,365,000	82,432,653	86,647,278
Deferred income tax assets		221,549	6,564,510	6,679,405	6,962,885
Other non-current assets	6(5)(13) and 8	70,590	2,091,564	2,182,359	2,116,168
Total non-current assets		5,471,528	162,121,375	163,479,099	167,880,733
Total assets		\$ 10,808,195	\$ 320,246,807	\$ 311,037,290	\$ 327,112,157

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2020, DECEMBER 31, 2019 AND JUNE 30, 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(THE BALANCE SHEETS AS OF JUNE 30, 2020 AND 2019 ARE UNAUDITED)

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		June 30, 2020	June 30, 2020	December 31, 2019	June 30, 2019
Current liabilities					
Short-term borrowings	6(14)	\$ 134,555	\$ 3,986,871	\$ 7,575,932	\$ 6,214,897
Financial liabilities at fair value	6(2)				
through profit or loss - current		555	16,431	15,929	24,247
Contract liabilities - current		111,033	3,289,913	3,352,208	3,645,443
Notes payable		425	12,602	21,669	6,155
Accounts payable		1,514,633	44,878,563	39,478,462	41,646,840
Accounts payable - related parties	7	271	8,038	32,197	6,669
Other payables		1,383,752	41,000,559	28,829,379	39,334,835
Current income tax liabilities		86,732	2,569,870	2,187,076	2,538,690
Other current liabilities	6(15)	142,873	4,233,316	4,233,308	4,587,051
Total current liabilities		3,374,829	99,996,163	85,726,160	98,004,827
Non-current liabilities					
Long-term borrowings	6(15)	1,057,077	31,321,204	27,748,839	30,915,288
Deferred income tax liabilities		491,056	14,549,979	14,008,861	14,436,656
Lease liabilities - non-current		47,230	1,399,424	1,421,265	1,606,394
Other non-current liabilities		241,679	7,160,945	7,777,723	7,401,081
Total non-current liabilities		1,837,042	54,431,552	50,956,688	54,359,419
Total liabilities		5,211,871	154,427,715	136,682,848	152,364,246
Equity					
Share capital					
Common stock	6(17)	876,660	25,975,433	25,975,433	25,975,433
Capital surplus					
Capital surplus	6(18)	1,668,329	49,432,580	49,103,331	48,403,230
Retained earnings					
Legal reserve	6(19)	922,799	27,342,534	25,030,754	25,030,754
Special reserve		257,240	7,622,034	7,561,032	7,561,032
Unappropriated retained earnings		1,111,095	32,921,747	40,108,361	30,463,899
Other equity interest					
Other equity interest		(345,790)	(10,245,766)	(7,622,034)	(2,432,246)
Equity attributable to owners					
of the parent		4,490,333	133,048,562	140,156,877	135,002,102
Non-controlling interest	4(3)	1,105,991	32,770,530	34,197,565	39,745,809
Total equity		5,596,324	165,819,092	174,354,442	174,747,911
Significant contingent liabilities and unrecorded contract commitments	9				
Total liabilities and equity		\$ 10,808,195	\$ 320,246,807	\$ 311,037,290	\$ 327,112,157

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	US Dollars		New Taiwan Dollars		
		Six months ended June 30, 2020	Three months ended June 30,		Six months ended June 30,	
			2020	2019	2020	2019
Sales revenue	6(20) and 7	\$ 4,265,028	\$ 70,694,451	\$ 73,374,101	\$ 126,372,792	\$ 127,476,328
Operating costs	6(7)(25)(26) and 7	(2,983,285)	(47,460,143)	(53,568,137)	(88,394,757)	(93,422,811)
Gross profit		<u>1,281,743</u>	<u>23,234,308</u>	<u>19,805,964</u>	<u>37,978,035</u>	<u>34,053,517</u>
Operating expenses	6(25)(26)					
Selling expenses		(303,300)	(4,568,602)	(5,339,280)	(8,986,770)	(9,500,926)
General and administrative expenses		(190,907)	(2,913,104)	(3,004,876)	(5,656,565)	(5,302,747)
Research and development expenses		(405,451)	(6,486,658)	(6,104,470)	(12,013,516)	(10,807,797)
Expected credit impairment gain (loss)	12(2)	(2,575)	(540)	11,810	(76,290)	65,633
Total operating expenses		<u>(902,233)</u>	<u>(13,968,904)</u>	<u>(14,436,816)</u>	<u>(26,733,141)</u>	<u>(25,545,837)</u>
Operating profit		<u>379,510</u>	<u>9,265,404</u>	<u>5,369,148</u>	<u>11,244,894</u>	<u>8,507,680</u>
Non-operating income and expenses						
Interest income	6(21)	10,412	145,452	239,772	308,497	492,968
Other income	6(22)	61,150	792,029	928,772	1,811,878	1,684,048
Other gains and losses	6(23)	(2,376)	116,661	6,091,036	(70,365)	5,865,889
Finance costs	6(24)	(7,115)	(98,001)	(207,817)	(210,826)	(371,037)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	6(8)	(1,800)	(27,325)	20,700	(53,342)	209,982
Total non-operating income and expenses		<u>60,271</u>	<u>928,816</u>	<u>7,072,463</u>	<u>1,785,842</u>	<u>7,881,850</u>
Profit before income tax		<u>439,781</u>	<u>10,194,220</u>	<u>12,441,611</u>	<u>13,030,736</u>	<u>16,389,530</u>
Income tax expense	6(27)	(90,496)	(2,072,959)	(2,425,081)	(2,681,406)	(2,913,839)
Profit for the period		<u>\$ 349,285</u>	<u>\$ 8,121,261</u>	<u>\$ 10,016,530</u>	<u>\$ 10,349,330</u>	<u>\$ 13,475,691</u>

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

Items	Notes	US Dollars		New Taiwan Dollars			
		Six months ended June 30, 2020	Three months ended June 30,		Six months ended June 30,		
			2020	2019	2020	2019	
Other comprehensive income (loss)							
Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
Gain (loss) on remeasurements of defined benefit plans		\$ 688	6,526	(\$ 37,376)	\$ 20,370	(\$ 185,080)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	(6,823)	260,359	(73,032)	(202,159)	463,096	
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		-	-	7,665	-	8,376	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	-	-	3,363	-	3,363	
Other comprehensive income (loss) that will not be reclassified to profit or loss		(6,135)	266,885	(99,380)	(181,789)	289,755	
Components of other comprehensive income (loss) that will be reclassified to profit or loss							
Financial statements translation differences of foreign operations		(184,766)	(2,001,806)	2,287,748	(5,474,608)	3,896,927	
Gain (loss) on hedging instrument		(745)	12,279	17,814	(22,074)	10,489	
Share of other comprehensive income (loss) of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		(6)	25	3,366,117	(178)	3,571,853	
Income tax relating to the components of other comprehensive income (loss) that will be reclassified to profit or loss	6(27)	11,066	204,474	(513,875)	327,885	(923,045)	
Other comprehensive income (loss) that will be reclassified to profit or loss		(174,451)	(1,785,028)	5,157,804	(5,168,975)	6,556,224	
Other comprehensive (loss) income for the period		<u>(\$ 180,586)</u>	<u>(\$ 1,518,143)</u>	<u>\$ 5,058,424</u>	<u>(\$ 5,350,764)</u>	<u>\$ 6,845,979</u>	
Total comprehensive income for the period		<u>\$ 168,699</u>	<u>\$ 6,603,118</u>	<u>\$ 15,074,954</u>	<u>\$ 4,998,566</u>	<u>\$ 20,321,670</u>	
Profit attributable to:							
Owners of the parent		\$ 326,181	\$ 7,597,454	\$ 9,529,665	\$ 9,664,753	\$ 12,902,085	
Non-controlling interest		\$ 23,104	\$ 523,807	\$ 486,865	\$ 684,577	\$ 573,606	
Comprehensive income (loss) attributable to:							
Owners of the parent		\$ 187,315	\$ 6,320,332	\$ 13,061,017	\$ 5,550,153	\$ 17,710,554	
Non-controlling interest		<u>(\$ 18,616)</u>	<u>\$ 282,786</u>	<u>\$ 2,013,937</u>	<u>(\$ 551,587)</u>	<u>\$ 2,611,116</u>	
Basic earnings per share	6(28)						
Basic earnings per share		<u>\$ 0.13</u>	<u>\$ 2.92</u>	<u>\$ 3.67</u>	<u>\$ 3.72</u>	<u>\$ 4.97</u>	
Diluted earnings per share	6(28)						
Diluted earnings per share		<u>\$ 0.13</u>	<u>\$ 2.92</u>	<u>\$ 3.66</u>	<u>\$ 3.71</u>	<u>\$ 4.95</u>	

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

Equity attributable to owners of the parent														
Items	Notes	Retained Earnings					Other Equity Interest					Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments					
<u>2019 New Taiwan Dollars</u>														
Balance at January 1, 2019		\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,160,104	(\$ 4,422,025)	(\$ 3,270,159)	\$ 131,152	\$ 130,271,159	\$ 9,189,749	\$ 139,460,908		
Effects of retrospective application and retrospective restatement		-	-	-	-	1,943	-	-	-	1,943	-	1,943		
Balance after retrospective restatement at January 1, 2019		25,975,433	48,397,067	23,211,444	7,088,143	33,162,047	(4,422,025)	(3,270,159)	131,152	130,273,102	9,189,749	139,462,851		
Profit for the period		-	-	-	-	12,902,085	-	-	-	12,902,085	573,606	13,475,691		
Other comprehensive income (loss) for the period		-	-	-	-	(90,344)	4,423,963	466,459	8,391	4,808,469	2,037,510	6,845,979		
Comprehensive income for the period		-	-	-	-	12,811,741	4,423,963	466,459	8,391	17,710,554	2,611,116	20,321,670		
Distribution of 2018 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-		
Legal reserve appropriated		-	-	1,819,310	-	(1,819,310)	-	-	-	-	-	-		
Special reserve appropriated		-	-	-	472,889	(472,889)	-	-	-	-	-	-		
Cash dividends of ordinary share		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)		
Change in ownership interests in subsidiaries		-	(894)	-	-	-	-	-	-	(894)	-	(894)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	7,057	-	-	-	-	-	-	7,057	(379,614)	(372,557)		
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	28,324,558	28,324,558		
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(229,973)	-	229,973	-	-	-	-		
Balance at June 30, 2019		<u>\$ 25,975,433</u>	<u>\$ 48,403,230</u>	<u>\$ 25,030,754</u>	<u>\$ 7,561,032</u>	<u>\$ 30,463,899</u>	<u>\$ 1,938</u>	<u>(\$ 2,573,727)</u>	<u>\$ 139,543</u>	<u>\$ 135,002,102</u>	<u>\$ 39,745,809</u>	<u>\$ 174,747,911</u>		
<u>2020 New Taiwan Dollars</u>														
Balance at January 1, 2020		<u>\$ 25,975,433</u>	<u>\$ 49,103,331</u>	<u>\$ 25,030,754</u>	<u>\$ 7,561,032</u>	<u>\$ 40,108,361</u>	<u>(\$ 5,334,992)</u>	<u>(\$ 2,434,298)</u>	<u>\$ 147,256</u>	<u>\$ 140,156,877</u>	<u>\$ 34,197,565</u>	<u>\$ 174,354,442</u>		
Profit for the period		-	-	-	-	9,664,753	-	-	-	9,664,753	684,577	10,349,330		
Other comprehensive income (loss) for the period		-	-	-	-	17,390	(3,909,964)	(202,159)	(19,867)	(4,114,600)	(1,236,164)	(5,350,764)		
Comprehensive income (loss) for the period		-	-	-	-	9,682,143	(3,909,964)	(202,159)	(19,867)	5,550,153	(551,587)	4,998,566		
Distribution of 2019 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-		
Legal reserve appropriated		-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-		
Special reserve appropriated		-	-	-	61,002	(61,002)	-	-	-	-	-	-		
Cash dividends of ordinary share		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)		
Change in ownership interests in subsidiaries		-	329,249	-	-	-	-	-	-	329,249	-	329,249		
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(875,448)	(875,448)		
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(1,508,258)	-	1,508,258	-	-	-	-		
Balance at June 30, 2020		<u>\$ 25,975,433</u>	<u>\$ 49,432,580</u>	<u>\$ 27,342,534</u>	<u>\$ 7,622,034</u>	<u>\$ 32,921,747</u>	<u>(\$ 9,244,956)</u>	<u>(\$ 1,128,199)</u>	<u>\$ 127,389</u>	<u>\$ 133,048,562</u>	<u>\$ 32,770,530</u>	<u>\$ 165,819,092</u>		

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

		Equity attributable to owners of the parent											
		Retained Earnings					Other Equity Interest						
Items	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Non-controlling interest	Total equity	
<u>2020 US Dollars</u>													
Balance at January 1, 2020		\$ 876,660	\$ 1,657,217	\$ 844,777	\$ 255,182	\$ 1,353,640	(\$ 180,054)	(\$ 82,156)	\$ 4,970	\$ 4,730,236	\$ 1,154,153	\$ 5,884,389	
Profit for the period		-	-	-	-	326,181	-	-	-	326,181	23,104	349,285	
Other comprehensive income (loss) for the period		-	-	-	-	587	(131,959)	(6,823)	(671)	(138,866)	(41,720)	(180,586)	
Comprehensive income (loss) for the period		-	-	-	-	326,768	(131,959)	(6,823)	(671)	187,315	(18,616)	168,699	
Distribution of 2019 earnings	6(19)												
Legal reserve appropriated		-	-	78,022	-	(78,022)	-	-	-	-	-	-	
Special reserve appropriated		-	-	-	2,058	(2,058)	-	-	-	-	-	-	
Cash dividends of ordinary share		-	-	-	-	(438,330)	-	-	-	(438,330)	-	(438,330)	
Change in ownership interests in subsidiaries		-	11,112	-	-	-	-	-	-	11,112	-	11,112	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(29,546)	(29,546)	
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(50,903)	-	50,903	-	-	-	-	
Balance at June 30, 2020		<u>\$ 876,660</u>	<u>\$ 1,668,329</u>	<u>\$ 922,799</u>	<u>\$ 257,240</u>	<u>\$ 1,111,095</u>	<u>(\$ 312,013)</u>	<u>(\$ 38,076)</u>	<u>\$ 4,299</u>	<u>\$ 4,490,333</u>	<u>\$ 1,105,991</u>	<u>\$ 5,596,324</u>	

The accompanying notes are an integral part of these consolidated financial statements

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	Notes	US Dollars	New Taiwan Dollars	
		Six months ended June 30, 2020	Six months ended June 30, 2020 2019	
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated profit before tax for the period		\$ 439,781	\$ 13,030,736	\$ 16,389,530
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10)(25)	197,616	5,855,357	5,110,176
Amortisation	6(12)(25)	65,557	1,942,458	1,385,205
Expected credit impairment loss (gain)	12(2)	2,575	76,290	(65,633)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(23)	1,377	40,796	(250,655)
Interest expense	6(24)	7,115	210,826	364,913
Interest income	6(21)	(10,412)	(308,497)	(492,968)
Dividend income	6(22)	(1,110)	(32,884)	(83,117)
Share-based payments	6(29)	336	9,949	943
Share of loss (profit) of associates accounted for under the equity method	6(8)	1,800	53,342	(209,982)
Loss on disposal of property, plant and equipment	6(23)	1,092	32,342	26,592
Loss (gain) on disposal of investments	6(23)	2,614	77,445	(5,813,219)
Reversal of impairment loss on non-financial assets	6(23)	-	-	(86,832)
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Financial assets mandatorily measured at fair value through profit or loss		3,784	112,123	(99,656)
Contract assets	(	8,764)	(259,688)	9,313
Notes receivable		28,599	847,384	110,005
Accounts receivable	(	31,651)	(937,808)	1,933,250
Accounts receivable - related parties		7,828	231,944	2,706,058
Other receivables	(	2,729)	(80,857)	(172,414)
Other receivables - related parties		14	416	104,493
Inventories	(	148,938)	(4,413,041)	1,965,064
Prepayments	(	1,444)	(42,793)	(339,026)
Other current assets		2,206	65,375	39,590
Other non-current assets	(	1,415)	(41,922)	131,806
Net changes in liabilities relating to operating activities				
Contract liabilities	(	2,102)	(62,295)	1,002,125
Notes payable	(	306)	(9,067)	(1,800)
Accounts payable		165,511	4,904,086	(4,554,754)
Accounts payable - related parties	(	815)	(24,159)	(2,406,671)
Other payables	(	31,433)	(931,358)	(2,612,762)
Other current liabilities	(	850)	(25,190)	(573,620)
Other non-current liabilities	(	21,663)	(641,871)	305,848
Cash inflow generated from operations		664,173	19,679,439	13,821,802
Interest received		11,487	340,337	555,220
Dividends received		1,022	30,280	83,117
Interest paid	(	6,888)	(204,077)	(347,725)
Income taxes paid	(	47,785)	(1,415,864)	(1,456,341)
Net cash flows from operating activities		622,009	18,430,115	12,656,073

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	Notes	US Dollars	New Taiwan Dollars	
		Six months ended June 30, 2020	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		\$ -	\$ -	(\$ 11,190)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	11,331	335,743	909,105
Proceeds from capital withdrawal from liquidation of financial assets at fair value through profit or loss		-	12	-
Proceeds from disposal of investments accounted for under the equity method		244	7,240	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(30)	(7,446)	(220,624)	(24,018,015)
Acquisition of property, plant and equipment	6(9)	(296,120)	(8,774,047)	(8,535,999)
Proceeds from disposal of property, plant and equipment		1,760	52,143	127,583
Acquisition of intangible assets	6(12)	(9,385)	(278,088)	(188,575)
Increase in other financial assets		(20,767)	(615,336)	(93,784)
Decrease (increase) in other non-current assets		5,144	152,437	(484,364)
Net cash flows used in investing activities		<u>(315,239)</u>	<u>(9,340,520)</u>	<u>(32,295,239)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Decrease in short-term borrowings	6(32)	(121,129)	(3,589,061)	(44,165)
Proceeds from long-term debt	6(32)	162,075	4,802,270	5,806,633
Repayment of long-term debt	6(32)	(41,773)	(1,237,728)	(115,591)
Lease principal repayment		(8,997)	(266,583)	(327,397)
Cash dividends paid to minority share interests		(25,899)	(767,376)	(2,184,585)
Acquisition of ownership interests in subsidiaries		-	-	(372,338)
Net cash flows (used in) from financing activities		<u>(35,723)</u>	<u>(1,058,478)</u>	<u>2,762,557</u>
Effects due to changes in exchange rate		<u>(91,162)</u>	<u>(2,701,134)</u>	<u>1,459,050</u>
Net increase (decrease) in cash and cash equivalents		179,885	5,329,983	(15,417,559)
Cash and cash equivalents at beginning of period		1,483,631	43,960,001	59,618,697
Cash and cash equivalents at end of period		<u>\$ 1,663,516</u>	<u>\$ 49,289,984</u>	<u>\$ 44,201,138</u>

The accompanying notes are an integral part of these consolidated financial statements.

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANISATION

Delta Electronics, Inc. (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the Group) are global leaders in power and thermal management solutions and are primarily engaged in the research and development, design, manufacturing and sale of electronic control systems, DC brushless fans, thermal system, and miniaturization key component, industrial automation products, digital display products, communication products, consumer electronics products, energy-saving lighting application, renewable energy applications, EV charging, energy technology services and consulting services of building management and control solutions, etc. The Group's mission statement, to provide innovative, clean and energy-efficient solutions for a better tomorrow, focuses on addressing key environmental issues such as global climate change. With the concern for the environment, the Group continues to develop innovative energy-efficient products and solutions. In recent years, the Group has transformed from a product provider towards a solution provider and the Group's business is segregated into power electronics business, automation business, and infrastructure business.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on July 29, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2019, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been

consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, “Interim financial reporting” as endorsed by the FSC.
- B. These consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2019.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
1	Delta Electronics, Inc.	Delta International Holding Limited (DIH)	Equity investments	100	100	94	Note 3
2	"	Delta Networks Holding Limited (DNH)	"	100	100	100	
3	"	Delta Electronics (Netherlands) B.V. (DEN)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	100	
4	Delta Electronics, Inc. and DIH	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	100	100	100	Note 1 Note 2 Note 4
5	Delta Electronics, Inc.	NeoEnergy Microelectronics, Inc. (NEM)	Designing and experimenting on integrated circuits and information software services	-	-	98.17	Note 2 Note 5
6	"	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100	100	100	
7	"	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100	100	100	Note 1 Note 2
8	"	Delta Electronics Capital Company (DECC)	Equity investments	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
9	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100	100	100	
10	"	Allied Material Technology Corp. (AMT)	Lease services, etc.	99.97	99.97	99.97	
11	Delta Electronics, Inc. and DEN/Delta Electronics, Inc., DEN, Castle Horizon Limited and Energy Dragon Global Limited	Delta America Ltd. (DAL)	Equity investments	100	100	100	Note 6
12	DEN/DIH	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100	100	100	Note 7
13	DIH	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100	100	100	
14	"	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	100	Note 1
15	"	DAC Holding (Cayman) Limited (DAC)	Equity investments	-	-	100	Note 2 Note 8
16	"	Ace Pillar Holding Co., Ltd. (Ace)	"	-	-	100	Note 5

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
17	DEN/DIH	Drake Investment (HK) Limited (Drake-HK)	Equity investments	100	100	100	Note 7
18	DGSG, Drake-HK and Boom/DIH, Ace, Drake-HK, DGSG and Boom	Delta Greentech (China) Co., Ltd. (DGC)	Sales of uninterruptible power systems and others	95.91	95.91	95.91	Note 9
19	DIH	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	100	100	100	Note 1 Note 2
20	DEN/DIH	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	100	Note 7
21	DIH	Delta Electronics Europe Limited (DEU)	Repair centre and providing support services	100	100	100	Note 1 Note 2
22	DEN/DIH	Boom Treasure Limited (Boom)	Equity investments	100	100	100	Note 7
23	DIH	Apex Investment (HK) Limited (Apex-HK)	"	100	100	100	Note 10
24	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	100	100	100	Note 10
25	"	Jade Investment (HK) Limited (Jade-HK)	"	100	100	100	Note 10
26	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
27	DHK	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	100	100	100	
28	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	100	
29	DHK/DHK, Apex-HK, Galaxy Star-HK and Jade-HK	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	100	Note 11
30	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	100	100	100	Note 11
31	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	100	100	100	Note 11
32	DHK	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	100	100	100	
33	"	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
34	DHK and DIH	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management system of industrial automation product and telecommunications equipment	100	100	100	Note 1 Note 2
35	DHK	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	100	100	100	Note 1 Note 2
36	"	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	100	100	100	Note 1 Note 2
37	PHK	PreOptix (Jiang Su) Co., Ltd. (PJS)	Manufacturing and sales of lenses and optical engines for projectors	-	-	100	Note 2 Note 12
38	DEJ	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100	100	100	Note 1
39	"	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100	100	100	Note 1
40	DAC	Delta Video Technology Limited (DVT)	Sales of electronic products	-	-	100	Note 2 Note 13

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
41	DWH	Wuhu Delta Technology Co., Ltd. (WDT)	Manufacturing and sales of transformers	-	-	100	Note 14
42	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	"	100	100	100	
43	DDG and DPEC	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	100	100	Note 2 Note 15
44	DPEC and DGC	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	100	100	100	Note 1 Note 2
45	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
46	DNI Cayman	DNI Logistics (USA) Corporation (ALN)	Trading of networking system and peripherals	-	-	100	Note 2 Note 16
47	"	Delta Networks (HK) Limited (DNHK)	Equity investments	100	100	100	
48	DNHK	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	100	100	100	
49	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	100	
50	Fairview	Grandview Holding Ltd. (Grandview)	"	100	100	100	
51	Grandview	CYNTEC HOLDING (HK) LTD. (CHK)	"	100	100	100	
52	"	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	100	
53	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	100	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
54	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	100	Note 1 Note 2
55	DIH/DEN	ELTEK AS	Research, development and sales of power supplies and others	100	100	100	Note 7
56	DEN	Castle Horizon Limited	Equity investments	-	100	100	Note 17
57	"	Energy Dragon Global Limited	"	-	100	100	Note 17
58	DIH/DEN	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	100	Note 7
59	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	100	Note 1 Note 2 Note 7
60	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	100	Note 1 Note 2
61	"	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2
62	"	ELTEK AUSTRALIA PTY LIMITED	"	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
63	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	95	Note 1 Note 2
64	"	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2
65	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	51	Note 1 Note 2
66	ELTEK AS	Eltek Polska Sp. z o. o.	"	51.04	51.04	51.04	Note 1 Note 2
67	"	ELTEK POWER FRANCE SAS	"	100	100	100	Note 1 Note 2
68	"	ELTEK LIMITED	Equity investments and trading	100	100	100	Note 1 Note 2
69	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	100	Note 1 Note 2
70	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	100	Note 1 Note 2
71	"	ELTEK WEST AFRICA LIMITED	"	100	100	100	Note 1 Note 2
72	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	100	Note 1 Note 2
73	"	Eltek Power Sweden AB	Sales of power supplies and equity investments	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
74	ELTEK AS	Eltek Power (UK) Ltd.	Sales of power supplies	100	100	100	Note 1 Note 2
75	"	Eltek Power Oy	Sales of power supplies and others	100	100	100	Note 1 Note 2
76	"	OOO Eltek	Sales of power supplies and others and system installation	100	100	100	Note 1 Note 2
77	"	ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	Sales of power supplies and others	100	100	100	Note 1 Note 2
78	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	100	Note 1 Note 2
79	"	E.V.I Electronics Sp. z o. o.	Trading and construction of power supply model	-	-	100	Note 2 Note 18
80	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	100	Note 1 Note 2
81	"	ELTEK POWER CO., LTD.	"	100	100	100	Note 1 Note 2 Note 19
82	"	ELTEK POWER (CAMBODIA) LTD.	"	100	100	100	Note 1 Note 2
83	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	100	Note 1 Note 2 Note 20

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
84	ELTEK LIMITED	ELTEK CVI LIMITED	Equity investments	100	100	100	Note 1 Note 2
85	DHK/ELTEK CVI LIMITED	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sales of intelligent power equipment for supporting renewable energy	100	100	100	Note 1 Note 2 Note 21
86	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	100	
87	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	100	Note 1 Note 2
88	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industrial e Comercio S.A.	Manufacturing and sales of power supplies	100	100	100	Note 1 Note 2
89	"	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
90	DEN and DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (COLOMBIA) S.A.S.	Sales of power supplies and others	100	100	100	Note 1 Note 2
91	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenergy Services, S.A. de C.V.	"	100	100	100	Note 1 Note 2
92	"	Eltekenergy International de México, S. de R.L. de C.V.	"	100	100	100	Note 1 Note 2
93	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	100	
94	"	Delta Solar Solutions LLC	Equity investments	100	100	100	Note 1 Note 2
95	Delta Electronics (Americas) Ltd.	2009 PPA LLC	Sales of power supplies	100	100	100	Note 1 Note 2
96	Delta Solar Solution LLC	DSS-CI LLC	Rental of solar power systems	100	100	100	Note 1 Note 2
97	"	DSS-USF LLC	"	100	100	100	Note 1 Note 2
98	Cyntec	Power Forest Technology Corporation	IC design of power management	56.40	59.03	59.03	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
99	DET-SH	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	100	100	100	Note 1 Note 2
100	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	100	Note 1 Note 2
101	Loy Tec	LOYTEC Americas, Inc.	"	100	100	100	Note 1 Note 2
102	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	100	Note 1 Note 2
103	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	100	Note 1 Note 2
104	Delta Electronics (Beijing) Co., Ltd.	Beijing Industrial Foresight Technology Co., Ltd.	Computer system services and data process	-	-	80	Note 2 Note 22
105	Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP. (UNICOM)	Design and sales of computers, peripherals and information system (software and hardware)	100	100	100	Note 1 Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
106	UNICOM	Unicom (Nanjing) System Eng. Corp	Design and sales of computers, peripherals and information system (software and hardware)	100	100	100	Note 1 Note 2
107	Delta Greentech (Netherlands) B.V. and DIH/DEN and Delta Greentech (Netherlands) B.V.	Delta Electronics (Switzerland) AG (DECH)	Equity investments, research, development and sales of electronic products	100	100	100	Note 2 Note 7
108	DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	100	Note 1 Note 2
109	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	100	Note 1 Note 2
110	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	100	Note 2
111	"	Delta Electronics (Italy) S.r.l.	"	100	100	100	Note 2
112	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	100	Note 2
113	"	Delta Solutions (Finland) Oy	"	100	100	100	Note 2
114	"	Delta Electronics Solutions (Spain) SL	"	100	100	100	Note 2
115	"	Delta Electronics (France) SA	"	100	100	100	Note 2
116	"	Delta Energy Systems (Sweden) AB	"	100	100	100	Note 2

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
117	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	49.87	49.87	50.13	Note 23
118	Vivotek and Realwin	Vatic Inc.	Designing and sales of multimedia integrated circuits	54.41	54.41	54.41	
119	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	100	
120	"	Realwin Investment Inc. (Realwin)	Investment in the network communications industry	100	100	100	
121	"	Vivotek Netherlands B.V.	Sales service	100	100	100	
122	"	Vivotek (Japan) Inc.	"	100	100	100	
123	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	100	
124	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	100	
125	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	100	
126	Realwin	Aetek Inc.	"	56.21	56.21	56.21	
127	"	Vivotek Middle East FZCO	"	89.99	89.99	89.99	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
128	Realwin	Lidlight Inc.	Sales of lighting equipment	51	51	51	
129	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	100	Note 1 Note 2
130	Delta Electronics, Inc., DEIL-SG and DIH	Delta Electronics (Thailand) Public Company Limited (DET)	Manufacturing and exporting power supplies, other electronic parts and components	63.78	63.78	63.78	Note 24
131	DET	DET International Holding Limited	Equity investments	100	100	100	Note 24
132	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	100	Note 24
133	"	Delta Green Industrial (Thailand) Co., Ltd.	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	100	100	100	Note 24
134	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	100	Note 24
135	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	100	Note 24

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
136	DET International Holding Limited	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	100	Note 24
137	DET International Holding Limited and Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Slovakia) s.r.o.	Manufacturing and sales of power supplies, power system and OEM power system	100	100	100	Note 24
138	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	100	Note 24
139	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	100	Note 24
140	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Australia) Pty. Ltd.	Marketing and sales of renewable energy products	100	100	100	Note 24
141	"	Delta Electronics India Pvt. Ltd.	Manufacturing and marketing of non-telecom power system and uninterruptible power supply, and sales of uninterruptible power supply	100	100	100	Note 24
142	"	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	100	Note 24
143	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	100	Note 24

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
144	Delta Energy Systems (Singapore) PTE. LTD.	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	51	51	51	Note 24
145	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	100	Note 24
146	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	100	Note 24
147	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	100	Note 24
148	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	100	Note 24
149	"	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	100	Note 24
150	DEN	Amerlux, LLC	Design and producing of dedicated lighting system and facilities	100	100	100	Note 1 Note 2 Note 24
151	Amerlux, LLC	Amerlux Lighting Asia, LLC	Equity investments	100	100	100	Note 1 Note 2 Note 24
152	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	"	100	100	100	Note 1 Note 2 Note 24
153	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	100	Note 1 Note 2 Note 24

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
				June 30, 2020	December 2019	June 30, 2019	
154	DIH	Digital Projection International Ltd.	Equity investments	100	-	-	Note 1 Note 25
155	Digital Projection International	Digital Projection Holdings Ltd.	//	100	-	-	Note 1 Note 25
156	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	-	-	Note 1 Note 25
157	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	-	-	Note 1 Note 25

Note 1: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2020 were not reviewed by independent auditors.

Note 2: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2019 were not reviewed by independent auditors.

Note 3: In December 2019, DIH repurchased and cancelled 6% of its own equity interest from non-controlling interest, and the Company held 100% equity interest of DIH after the cancellation.

Note 4: In the first half of 2020, PHK returned capital amounting to USD 5,250,000 and USD 8,000,000 to Delta Electronics, Inc. and DIH, respectively, due to the liquidation of the subsidiary, which is yet to be completed as at June 30, 2020.

Note 5: This company had been liquidated in October 2019.

Note 6: As described in Note 17, the investors were changed to Delta Electronics, Inc. and DEN.

Note 7: In November 2019, due to the reorganisation of the Group, DEN exchanged its 100% equity interests in the subsidiaries, ELTEK AS, DCI, and DELTA ELECTRONICS HOLDING (USA) INC. and a 51% equity interest in its subsidiary, DECH, for 100% equity interests in DIH's subsidiaries, DHK, Drake-HK, DGSG and BOOM.

Note 8: This company had been liquidated in November 2019.

Note 9: In July 2019, Drake-HK acquired 10.38% and 3.81% equity interest in DGC held by DIH and Ace, respectively.

Note 10: In December 2019, the company began liquidation process and was dissolved, but has not yet been completed as at June 30, 2020.

Note 11: In July 2019, DHK acquired 15% equity interest in DWV, DWC and DWJ held by Apex-HK, Galaxy Star-HK and Jade-HK, respectively.

Note 12: In October 2019, PHK sold a 100% equity interest in its subsidiary, PJS.

Note 13: This company had been liquidated in August 2019.

Note 14: This company had been liquidated in December 2019.

Note 15: This company had been liquidated in January 2020.

Note 16: In August 2019, DNI Cayman sold this company to DIH, and this company merged into its subsidiary-ALI. Under the merger, ALI was the surviving company while ALN was the dissolved company.

Note 17: This company had been liquidated in February 2020.

Note 18: This company had been liquidated in September 2019.

Note 19: 55% of shares are held through others due to local regulations.

Note 20: 71% of shares are held through others due to local regulations.

Note 21: In July 2019, this company was sold to DHK by ELTEK CVI LIMITED.

Note 22: This company had been liquidated in July 2019.

Note 23: Because most of the shares were held by the company and other shareholdings are disaggregated, it was included in the consolidated financial statements.

Note 24: Companies were acquired through merger during 2019.

Note 25: Companies were acquired through merger during 2020.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As at June 30, 2020, December 31, 2019 and June 30, 2019, the non-controlling interest amounted to \$32,770,530, \$34,197,565 and \$39,745,809, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		June 30, 2020		December 31, 2019	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,836,355	50.13%	\$ 3,932,420	50.13%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	28,945,081	36.22%	29,761,580	36.22%

Name of subsidiary	Principal place of business	Non-controlling interest	
		June 30, 2019	
		Amount	Ownership (%)
Delta International Holding Ltd. (DIH)	Cayman Islands	\$ 4,915,076	6.00%
Vivotek Inc. (Vivotek)	Taiwan	3,914,057	49.87%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	30,697,110	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET		
	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 33,496,201	\$ 32,696,207	\$ 35,781,967
Non-current assets	61,809,079	62,551,578	63,568,999
Current liabilities	(13,208,589)	(10,944,593)	(12,518,019)
Non-current liabilities	(2,182,055)	(2,134,279)	(2,081,126)
Total net assets	<u>\$ 79,914,636</u>	<u>\$ 82,168,913</u>	<u>\$ 84,751,821</u>

	Vivotek Inc.		
	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 3,158,872	\$ 3,106,290	\$ 3,485,492
Non-current assets	6,286,511	6,452,452	6,564,398
Current liabilities	(1,411,850)	(1,307,013)	(1,767,117)
Non-current liabilities	(380,721)	(407,284)	(434,254)
Total net assets	<u>\$ 7,652,812</u>	<u>\$ 7,844,445</u>	<u>\$ 7,848,519</u>

	DIH
	<u>June 30, 2019</u>
Current assets	\$ 91,258,754
Non-current assets	41,078,349
Current liabilities	(46,561,019)
Non-current liabilities	(3,034,017)
Total net assets	<u>\$ 82,742,067</u>

Statement of comprehensive income

	DET	
	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 13,491,954	\$ 13,782,635
Profit before income tax	1,487,209	621,186
Income tax benefit (expense)	39,120	(28,658)
Profit for the period from continuing operations	1,526,329	592,528
Other comprehensive loss, net of tax	(677,787)	(359,191)
Total comprehensive income for the period	<u>\$ 848,542</u>	<u>\$ 233,337</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 305,596</u>	<u>\$ 86,121</u>
Dividends paid to non-controlling interest	<u>\$ 767,376</u>	<u>\$ 2,184,585</u>

	DET	
	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 25,677,570	\$ 26,534,334
Profit before income tax	1,876,525	1,685,006
Income tax benefit (expense)	77,160	(37,787)
Profit for the period from continuing operations	1,953,685	1,647,219
Other comprehensive loss, net of tax	(51,778)	(273,940)
Total comprehensive income for the period	<u>\$ 1,901,907</u>	<u>\$ 1,373,279</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 684,835</u>	<u>\$ 86,121</u>
Dividends paid to non-controlling interest	<u>\$ 767,376</u>	<u>\$ 2,184,585</u>

	Vivotek Inc.	
	Three months ended June 30,	
	2020	2019
Revenue	\$ 1,402,143	\$ 1,933,659
Profit before income tax	1,890	70,608
Income tax expense	(13,141)	(17,976)
(Loss) profit for the period		
from continuing operations	(11,251)	52,632
Other comprehensive (loss) income, net of tax	(7,174)	3,415
Total comprehensive (loss) income for the period	(\$ 18,425)	\$ 56,047
Comprehensive (loss) income attributable to non-controlling interest	(\$ 14,208)	\$ 24,631
Dividends paid to non-controlling interest	\$ -	\$ -

	Vivotek Inc.	
	Six months ended June 30,	
	2020	2019
Revenue	\$ 2,981,383	\$ 3,645,828
Profit before income tax	59,105	115,847
Income tax expense	(38,834)	(34,602)
Profit for the period from continuing operations	20,271	81,245
Other comprehensive (loss) income, net of tax	(4,931)	4,291
Total comprehensive income for the period	\$ 15,340	\$ 85,536
Comprehensive income attributable to non-controlling interest	\$ 2,807	\$ 34,368
Dividends paid to non-controlling interest	\$ -	\$ -

	DIH	
	Three months ended June 30, 2019	Six months ended June 30, 2019
Revenue	\$ 45,117,367	\$ 83,496,490
Profit before income tax	6,009,609	7,518,441
Income tax expense	(447,153)	(901,161)
Profit for the period from continuing operations	5,562,456	6,617,280
Other comprehensive loss, net of tax	(1,213,887)	(478,914)
Total comprehensive income for the period	\$ 4,348,569	\$ 6,138,366
Comprehensive income attributable to non-controlling interest	\$ 257,038	\$ 363,921
Dividends paid to non-controlling interest	\$ -	\$ -

Statements of cash flows

	DET	
	Six months ended June 30,	
	2020	2019
Net cash provided by operating activities	\$ 2,473,691	\$ 1,668,467
Net cash used in investing activities	(2,713,385)	(2,185,414)
Net cash used in financing activities	(2,163,452)	(2,793,931)
Effect of exchange rates on cash and cash equivalents	(677,063)	813,567
Decrease in cash and cash equivalents	(3,080,209)	(2,497,311)
Cash and cash equivalents, beginning of period	12,515,101	14,877,311
Cash and cash equivalents, end of period	<u>\$ 9,434,892</u>	<u>\$ 12,380,000</u>

	Vivotek Inc.	
	Six months ended June 30,	
	2020	2019
Net cash (used in) provided by operating activities	(\$ 25,659)	\$ 598,782
Net cash used in investing activities	(3,063)	(79,021)
Net cash used in financing activities	(37,011)	(123,056)
Effect of exchange rates on cash and cash equivalents	(4,399)	4,580
(Decrease) increase in cash and cash equivalents	(70,132)	401,285
Cash and cash equivalents, beginning of period	1,023,213	807,712
Cash and cash equivalents, end of period	<u>\$ 953,081</u>	<u>\$ 1,208,997</u>

	DIH
	Six months ended June 30, 2019
Net cash provided by operating activities	\$ 4,259,730
Net cash used in investing activities	(24,202,813)
Net cash provided by financing activities	274,941
Effect of exchange rates on cash and cash equivalents	3,185,758
Decrease in cash and cash equivalents	(16,482,384)
Cash and cash equivalents, beginning of period	33,611,167
Cash and cash equivalents, end of period	<u>\$ 17,128,783</u>

(4) Employee benefits

A. Pensions

(a) Defined contribution plans

Under the defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

B. Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(5) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2019.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Cash on hand	\$ 8,174	\$ 6,941	\$ 7,706
Checking accounts and demand deposits	34,537,469	30,808,159	30,429,579
Time deposits	14,657,491	13,144,901	13,763,853
Cash equivalents	86,850	-	-
	<u>\$ 49,289,984</u>	<u>\$ 43,960,001</u>	<u>\$ 44,201,138</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets/liabilities at fair value through profit or loss

<u>Asset Items</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 451,848	\$ 541,143	\$ 585,134
Emerging stocks	-	-	49,000
Derivatives	226,667	142,668	157,307
Hybrid instrument- Convertible bounds	67,595	87,578	162,504
	746,110	771,389	953,945
Valuation adjustment	269,290	351,069	312,784
	<u>\$ 1,015,400</u>	<u>\$ 1,122,458</u>	<u>\$ 1,266,729</u>

<u>Asset Items</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Non-current items:			
Financial assets			
mandatorily measured			
at fair value through			
profit or loss			
Listed stocks	\$ 332,294	\$ 499,290	\$ 507,844
Emerging stocks	81,000	81,000	81,000
Unlisted stocks	2,254,650	2,247,846	2,514,068
Hybrid instrument-			
Convertible bounds	74,983	-	-
	<u>2,742,927</u>	<u>2,828,136</u>	<u>3,102,912</u>
Valuation adjustment	(<u>694,656</u>)	(<u>602,897</u>)	(<u>601,403</u>)
	<u>\$ 2,048,271</u>	<u>\$ 2,225,239</u>	<u>\$ 2,501,509</u>
<u>Liability Items</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current items:			
Valuation adjustment			
of derivatives	<u>\$ 16,431</u>	<u>\$ 15,929</u>	<u>\$ 24,247</u>

A. The Group has recognised financial assets and liabilities at fair value through profit or loss of \$730,492, \$208,763, (\$40,796) and \$250,655 for the three months and six months ended June 30, 2020 and 2019, respectively.

B. Explanations of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

June 30, 2020			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	1,800	2020.02.14~2020.10.06
- Sell BRL / Buy USD	BRL	79,661	2020.04.30~2020.09.04
- Sell EUR / Buy NOK	EUR	3,000	2019.12.16~2020.10.06
- Sell EUR / Buy USD	EUR	41,900	2020.02.25~2020.12.02
- Sell HKD / Buy USD	HKD	100,000	2020.02.27~2020.08.03
- Sell INR / Buy USD	INR	251,071	2020.04.30~2020.08.27
- Sell JPY / Buy USD	JPY	748,158	2020.05.18~2020.11.27
- Sell THB / Buy JPY	THB	11,680	2020.06.02~2020.07.28
- Sell USD / Buy JPY	USD	5,900	2020.05.20~2020.08.25
- Sell USD / Buy NOK	USD	5,000	2020.04.14~2020.10.06
- Sell USD / Buy RMB	USD	226,683	2020.04.15~2020.09.23
- Sell USD / Buy SGD	USD	19,262	2020.04.06~2020.12.03
- Sell USD / Buy THB	USD	149,900	2020.04.01~2020.10.26
- Sell USD / Buy BRL	USD	5,000	2020.06.30~2020.07.03
Cross currency swap:			
- Sell EUR / Buy GBP	EUR	900	2020.06.09~2020.08.05
- Sell EUR / Buy NOK	EUR	7,955	2020.04.02~2020.09.04
- Sell EUR / Buy RUB	EUR	1,040	2020.06.09~2020.08.05
- Sell USD / Buy NOK	USD	10,000	2020.02.06~2020.09.04

December 31, 2019

Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy NOK	AUD	600	2019.12.04~2020.01.07
- Sell AUD / Buy USD	AUD	1,500	2019.09.12~2020.04.28
- Sell BRL / Buy USD	BRL	32,622	2019.11.06~2020.02.07
- Sell EUR / Buy GBP	EUR	1,000	2019.12.05~2020.02.07
- Sell EUR / Buy NOK	EUR	8,000	2019.10.07~2020.07.03
- Sell EUR / Buy USD	EUR	28,500	2019.09.18~2020.04.03
- Sell GBP / Buy NOK	GBP	2,600	2019.10.07~2020.02.07
- Sell HKD / Buy USD	HKD	151,000	2019.09.05~2020.03.03
- Sell INR / Buy USD	INR	1,266,206	2019.11.11~2020.01.21
- Sell JPY / Buy USD	JPY	889,565	2019.09.25~2020.03.19
- Sell SGD / Buy USD	SGD	7,000	2019.12.25~2020.02.04
- Sell THB / Buy USD	THB	9,060	2019.12.24~2020.01.23
- Sell USD / Buy CZK	USD	300	2019.12.24~2020.01.21
- Sell USD / Buy HKD	USD	770	2019.12.26~2020.03.03
- Sell USD / Buy JPY	USD	3,100	2019.11.08~2020.02.25
- Sell USD / Buy NOK	USD	6,000	2019.10.07~2020.04.03
- Sell USD / Buy RMB	USD	217,181	2019.09.27~2020.03.23
- Sell USD / Buy SGD	USD	14,092	2019.09.25~2020.04.03
- Sell USD / Buy THB	USD	121,700	2019.09.26~2020.04.03
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	13,000	2019.09.04~2020.06.05
- Sell EUR / Buy RUB	EUR	500	2019.12.05~2020.02.07
- Sell GBP / Buy NOK	GBP	500	2019.10.07~2020.01.07
- Sell USD / Buy EUR	USD	1,113	2019.11.06~2020.01.07
- Sell USD / Buy NOK	USD	5,000	2019.11.06~2020.03.05

June 30, 2019

Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell USD / Buy RMB	USD	123,803	2019.04.30~2019.09.19
- Sell USD / Buy NTD	USD	1,000	2019.05.17~2019.07.03
- Sell USD / Buy JPY	USD	3,000	2019.05.29~2019.07.25
- Sell USD / Buy CZK	USD	100	2019.06.14~2019.07.22
- Sell USD / Buy SGD	USD	1,500	2019.06.28~2019.09.03
- Sell USD / Buy THB	USD	133,000	2019.03.25~2019.10.02
- Sell USD / Buy EUR	USD	2,948	2019.06.06~2019.07.26
- Sell JPY / Buy USD	JPY	1,222,528	2019.04.02~2019.09.18
- Sell AUD / Buy USD	AUD	2,270	2019.03.25~2019.10.29
- Sell EUR / Buy USD	EUR	32,330	2019.03.25~2019.10.29
- Sell EUR / Buy NOK	EUR	3,000	2019.03.27~2019.10.04
- Sell THB / Buy USD	THB	61,440	2019.06.25~2019.07.25
- Sell THB / Buy JPY	THB	29,119	2019.03.27~2019.09.27
- Sell GBP / Buy USD	GBP	1,000	2019.06.03~2019.07.05
- Sell INR / Buy USD	INR	1,618,897	2019.05.27~2019.08.07
- Sell BRL / Buy USD	BRL	33,848	2019.05.07~2019.08.07
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	11,000	2019.03.08~2019.09.05
- Sell GBP / Buy NOK	GBP	2,000	2019.05.06~2019.08.07
- Sell USD / Buy NOK	USD	7,000	2019.03.12~2019.09.05

The Group entered into forward exchange contracts and cross currency swap to manage exposures to foreign exchange rate fluctuations of import or export sales and dividend distribution between subsidiary and second-tier subsidiary. However, the forward exchange transactions did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk is provided in Note 12(2).

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

Items	June 30, 2020	December 31, 2019	June 30, 2019
Current items:			
Equity instruments			
Listed stocks	\$ 412,053	\$ 1,559,472	\$ 1,485,910
Valuation adjustment	(300,578)	(1,239,649)	(1,154,184)
	\$ 111,475	\$ 319,823	\$ 331,726
Non-current items:			
Equity instruments			
Listed stocks	\$ 1,608,699	\$ 2,301,004	\$ 2,959,101
Unlisted stocks	683,231	690,945	676,477
	2,291,930	2,991,949	3,635,578
Valuation adjustment	(827,621)	(1,194,648)	(1,419,543)
	\$ 1,464,309	\$ 1,797,301	\$ 2,216,035

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,575,784, \$2,117,124 and \$2,547,761 as at June 30, 2020, December 31, 2019 and June 30, 2019, respectively.
- B. For the six months ended June 30, 2020 and 2019, the Group sold listed stocks whose fair value were \$335,743 and \$909,105, respectively, to adjust the stock position, resulting to an accumulated loss on disposal of \$1,508,258 and \$229,973, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	\$ 260,359	(\$ 73,032)
Cumulative loss reclassified to retained earnings due to derecognition	(\$ 992,981)	(\$ 195,632)
	Six months ended June 30,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ 202,159)	\$ 463,096
Cumulative loss reclassified to retained earnings due to derecognition	(\$ 1,508,258)	(\$ 229,973)

- D. As at June 30, 2020, December 31, 2019 and June 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,575,784, \$2,117,124 and \$2,547,761, respectively.
- E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- F. Information relating to credit risk is provided in Note 12(2).

(4) Hedging financial assets and liabilities

- A. As at June 30, 2020, December 31, 2019 and June 30, 2019, there were no financial assets and liabilities used for hedging.
- B. Information on cash flow hedges and hedges of net investments in foreign operations recognised as profit or loss and other comprehensive income:

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2020	\$ -	\$ 147,256
Add: Loss on hedge effectiveness- amount recognised in other comprehensive income	-	(19,867)
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	-	-
At June 30, 2020	<u>\$ -</u>	<u>\$ 127,389</u>

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2019	\$ -	\$ 131,152
Add: (Loss) gain on hedge effectiveness- amount recognised in other comprehensive income	(6,124)	8,391
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	6,124	-
At June 30, 2019	<u>\$ -</u>	<u>\$ 139,543</u>

- (a) The purpose of hedge accounting is that the hedged highly probable forecast transactions denominated in foreign currency are expected to occur during the next 12 months. Amounts accumulated in other comprehensive income as at June 30, 2020, December 31, 2019 and June 30, 2019 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) Since the hedging instrument for cash flow hedge expired and the hedging relationship ceased to meet the qualifying criteria, the accumulated amount in the cash flow hedge reserve had been reclassified to profit or loss.

(c) Hedges of net investments in foreign operations

In the first quarter of 2018, due to the reorganisation of the Group, the risk of USD exchange rate fluctuating by fair value initially designated as hedged items of hedges of net investments in foreign operations was no longer material. Consequently, the hedge relationship did not meet the conditions of hedge accounting. The effective portion of hedges of net investments in foreign operations was accumulated in other equity previously. Since the foreign operations was not disposed, it was not reclassified from equity to profit or loss.

(5) Notes and accounts receivable

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Notes receivable	\$ 2,969,244	\$ 3,816,628	\$ 3,981,226
Accounts receivable	\$ 55,122,471	\$ 53,964,299	\$ 60,371,089
Less: Allowance for uncollectible accounts	(1,072,678)	(1,009,193)	(1,033,244)
	<u>\$ 54,049,793</u>	<u>\$ 52,955,106</u>	<u>\$ 59,337,845</u>
Overdue receivables (shown as other non-current assets)	\$ 185,615	\$ 213,405	\$ 264,096
Less: Allowance for uncollectible accounts	(185,615)	(213,405)	(264,096)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. The aging analysis of accounts receivable is as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Not past due	\$ 50,322,154	\$ 46,818,016	\$ 54,783,842
1 to 90 days	3,193,912	5,540,091	3,856,789
91 to 180 days	263,103	324,836	373,632
181 to 365 days	265,521	249,331	280,666
Over 366 days	5,103	22,832	42,916
	<u>\$ 54,049,793</u>	<u>\$ 52,955,106</u>	<u>\$ 59,337,845</u>

The above aging analysis was based on past due date.

B. As at June 30, 2020, December 31, 2019 and June 30, 2019, there was no notes receivable past due.

C. As at June 30, 2020, December 31 2019 and June 30, 2019, accounts receivable and notes

receivable were all from contracts with customers. As at January 1, 2019, the balance of receivables from contracts with customers amounted to \$56,144,727.

D. The Group has no notes receivable and accounts receivable pledged to others as collateral.

E. As at June 30, 2020, December 31, 2019 and June 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$2,969,244, \$3,816,628 and \$3,981,226, and accounts receivable were \$54,049,793, \$52,955,106 and \$59,337,845, respectively.

F. Information relating to credit risk is provided in Note 12(2).

(6) Transfer of financial assets

The Group entered into a factoring agreement with financial institutions to sell its accounts receivable. Under the agreement, the Group is not required to bear the default risk of the accounts receivable and the percentage of advance payments is zero, but is liable for the losses incurred on any business dispute. As at June 30, 2020, December 31, 2019 and June 30, 2019, the relevant information on unsettled accounts receivable that were sold is set forth below:

June 30, 2020						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 13,958	\$ -	\$ 296,300	\$ -	\$ -	\$ -

December 31, 2019						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 57,743	\$ -	\$ 299,800	\$ -	\$ -	\$ -

June 30, 2019						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 50,484	\$ -	\$ 310,600	\$ -	\$ -	\$ -

(7) Inventories

	June 30, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 15,754,692	(\$ 2,759,710)	\$ 12,994,982
Work in process	4,761,696	(7,686)	4,754,010
Finished goods	28,044,353	(3,945,937)	24,098,416
Inventory in transit	2,061,892	-	2,061,892
	<u>\$ 50,622,633</u>	<u>(\$ 6,713,333)</u>	<u>\$ 43,909,300</u>

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 13,734,404	(\$ 2,978,189)	\$ 10,756,215
Work in process	4,205,155	(11,299)	4,193,856
Finished goods	27,482,584	(3,634,975)	23,847,609
Inventory in transit	518,743	-	518,743
	<u>\$ 45,940,886</u>	<u>(\$ 6,624,463)</u>	<u>\$ 39,316,423</u>

	June 30, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 15,777,147	(\$ 3,136,036)	\$ 12,641,111
Work in process	4,517,563	(12,683)	4,504,880
Finished goods	28,297,195	(3,301,696)	24,995,499
Inventory in transit	851,746	-	851,746
	<u>\$ 49,443,651</u>	<u>(\$ 6,450,415)</u>	<u>\$ 42,993,236</u>

The Group recognised as expense or loss:

	Three months ended June 30,	
	2020	2019
Cost of goods sold	\$ 46,354,424	\$ 51,643,273
Loss on market value decline and obsolete and slow-moving inventories	17,540	494,573
Others	(172,773)	(148,278)
	<u>\$ 46,199,191</u>	<u>\$ 51,989,568</u>

	Six months ended June 30,	
	2020	2019
Cost of goods sold	\$ 85,863,044	\$ 90,162,901
Loss on market value decline and obsolete and slow-moving inventories	463,559	1,104,304
Others	(248,697)	(277,067)
	<u>\$ 86,077,906</u>	<u>\$ 90,990,138</u>

(8) Investments accounted for under equity method

A. Details of investments accounted for under the equity method are set forth below:

Name of associates	June 30, 2020		December 31, 2019		June 30, 2019	
	Ownership %	Book value	Ownership %	Book value	Ownership %	Book value
Optovue, Inc.	29.50	\$ 782,708	29.50	\$ 842,043	29.50	\$ 917,366
Digital Projection International Ltd. (DPI)	(Note)	(Note)	41.00	240,059	41.00	259,078
Others		<u>49,900</u>		<u>56,818</u>		<u>43,965</u>
		<u>\$ 832,608</u>		<u>\$ 1,138,920</u>		<u>\$ 1,220,409</u>

Note: On January 6, 2020, the subsidiary, DIH, acquired 59% equity interest in DPI, and the total equity interest of DPI held by the Group is 100%. Therefore, the Group has control over DPI, and DPI is included in the consolidated financial statements.

B. For the three months and six months ended June 30, 2020 and 2019, the share of profit (loss) of associates were (\$27,325), \$20,700, (\$53,342) and \$209,982, respectively.

C. Except for DET (which was included in the Group's consolidated financial statements on April 2, 2019), whose share of profit (loss) and other comprehensive income (loss) for the three months ended March 31, 2019 was recognised based on the financial statements reviewed by other independent auditors, the share of profit (loss) and other comprehensive income (loss) of other associates for the three months and six months ended June 30, 2020 and 2019 were recognised based on the financial statements which were unreviewed by independent auditors.

D. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As at June 30, 2020, December 31, 2019 and June 30, 2019, the carrying amount of the Group's individually immaterial associates amounted to \$832,608, \$1,138,920 and \$1,220,409, respectively.

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
(Loss) profit for the period from continuing operations	(\$ 27,325)	\$ 1,724
Other comprehensive income (loss), net of tax	<u>36</u>	<u>(1,557)</u>
Total comprehensive (loss) income	<u>(\$ 27,289)</u>	<u>\$ 167</u>

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Loss for the period from continuing operations	(\$ 53,342)	(\$ 32,758)
Other comprehensive income (loss), net of tax	<u>54,046</u>	<u>(406)</u>
Total comprehensive income (loss)	<u>\$ 704</u>	<u>(\$ 33,164)</u>

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>2020</u>							
Opening net book amount	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
Additions	102,384	97,769	2,521,170	1,157,432	1,028,131	3,867,161	8,774,047
Acquired through business combinations	-	-	-	-	47,035	-	47,035
Disposal	(9,079)	(6,007)	(45,478)	(7,172)	(16,749)	-	(84,485)
Transfer	-	158,341	893,906	230,259	92,352	(1,374,858)	-
Depreciation charge	-	(937,249)	(2,330,167)	(1,068,995)	(1,195,917)	-	(5,532,328)
Net exchange differences	(116,959)	(402,236)	(364,189)	(44,529)	(160,760)	(278,749)	(1,367,422)
Closing net book amount	<u>\$ 14,330,202</u>	<u>\$ 22,109,836</u>	<u>\$ 13,141,828</u>	<u>\$ 3,786,566</u>	<u>\$ 4,105,399</u>	<u>\$ 7,953,997</u>	<u>\$ 65,427,828</u>
<u>At June 30, 2020</u>							
Cost	\$ 14,342,082	\$ 42,924,003	\$ 44,656,789	\$ 18,093,124	\$ 19,392,902	\$ 7,953,997	\$ 147,362,897
Accumulated depreciation and impairment	(11,880)	(20,814,167)	(31,514,961)	(14,306,558)	(15,287,503)	-	(81,935,069)
	<u>\$ 14,330,202</u>	<u>\$ 22,109,836</u>	<u>\$ 13,141,828</u>	<u>\$ 3,786,566</u>	<u>\$ 4,105,399</u>	<u>\$ 7,953,997</u>	<u>\$ 65,427,828</u>

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2019</u>							
Cost	\$ 9,387,791	\$ 35,410,148	\$ 34,306,477	\$ 15,133,753	\$ 13,323,988	\$ 1,426,294	\$ 108,988,451
Accumulated depreciation and impairment	(12,228)	(14,756,380)	(24,800,888)	(12,254,047)	(10,736,034)	-	(62,559,577)
	<u>\$ 9,375,563</u>	<u>\$ 20,653,768</u>	<u>\$ 9,505,589</u>	<u>\$ 2,879,706</u>	<u>\$ 2,587,954</u>	<u>\$ 1,426,294</u>	<u>\$ 46,428,874</u>
<u>2019</u>							
Opening net book amount	\$ 9,375,563	\$ 20,653,768	\$ 9,505,589	\$ 2,879,706	\$ 2,587,954	\$ 1,426,294	\$ 46,428,874
Additions	2,457,473	353,355	1,869,619	829,754	1,034,103	1,991,695	8,535,999
Acquired through business combinations	1,937,962	2,891,051	2,408,419	372,027	1,190,607	1,184,235	9,984,301
Disposals	-	(8,620)	(97,154)	(20,893)	(27,381)	(127)	(154,175)
Transfer	-	48,616	658,249	115,348	28,275	(850,488)	-
Reclassifications (Note 1)	465,686	1,164,972	-	-	-	-	1,630,658
Depreciation charge	-	(935,906)	(1,939,015)	(944,095)	(991,017)	-	(4,810,033)
Reversal of impairment loss (Note 2)	-	86,246	-	-	586	-	86,832
Net exchange differences	57,840	255,339	508,272	85,691	(41,462)	(264,323)	601,357
Closing net book amount	<u>\$ 14,294,524</u>	<u>\$ 24,508,821</u>	<u>\$ 12,913,979</u>	<u>\$ 3,317,538</u>	<u>\$ 3,781,665</u>	<u>\$ 3,487,286</u>	<u>\$ 62,303,813</u>
<u>At June 30, 2019</u>							
Cost	\$ 14,307,212	\$ 44,442,575	\$ 43,380,401	\$ 17,006,497	\$ 18,399,360	\$ 3,487,286	\$ 141,023,331
Accumulated depreciation and impairment	(12,688)	(19,933,754)	(30,466,422)	(13,688,959)	(14,617,695)	-	(78,719,518)
	<u>\$ 14,294,524</u>	<u>\$ 24,508,821</u>	<u>\$ 12,913,979</u>	<u>\$ 3,317,538</u>	<u>\$ 3,781,665</u>	<u>\$ 3,487,286</u>	<u>\$ 62,303,813</u>

(Note 1) The investment property was reclassified to property, plant and equipment as the percentage of a portion of the investment property for its own use exceeded 20% from the first quarter of 2019.

(Note 2) The Group recognised a reversal of impairment loss of \$86,832 for certain buildings and structures and other equipment that was assessed for reuse in the future. Such reversal of impairment loss was recognised in other operating income and expenses.

- A. The Group's property, plant and equipment are mainly owner-occupied.
- B. No interest expense was capitalised on property, plant and equipment.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 21 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,639,402	\$ 1,683,784	\$ 1,588,526
Buildings and structures	1,324,504	1,321,468	1,815,863
Transportation equipment	70,362	86,200	117,156
Other equipment	27,203	22,381	22,621
	<u>\$ 3,061,471</u>	<u>\$ 3,113,833</u>	<u>\$ 3,544,166</u>

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 12,954	\$ 11,800
Buildings and structures	133,214	125,160
Transportation equipment	20,534	24,511
Other equipment	2,501	2,495
	<u>\$ 169,203</u>	<u>\$ 163,966</u>

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 23,774	\$ 24,166
Buildings and structures	253,436	227,581
Transportation equipment	40,536	43,771
Other equipment	5,283	4,625
	<u>\$ 323,029</u>	<u>\$ 300,143</u>

- C. For the six months ended June 30, 2020 and 2019, the additions to right-of-use assets (excluding those acquired through business combinations) were \$217,054 and \$378,837, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended June 30,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 6,264	\$ 6,093
Expense on short-term lease contracts	\$ 120,725	\$ 96,342
	Six months ended June 30,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 12,252	\$ 11,596
Expense on short-term lease contracts	\$ 229,178	\$ 182,129

E. For the six months ended June 30, 2020 and 2019, the Group's total cash outflow for leases were \$508,013 and \$509,526, respectively.

F. Extension options

- (a) Extension options are included in the Group's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Group to effectively utilise the assets.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(11) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2020 / June 30, 2020</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 479,756	\$ 4,299,554	\$ 4,779,310
Accumulated depreciation and impairment	-	(3,134,582)	(3,134,582)
	<u>\$ 479,756</u>	<u>\$ 1,164,972</u>	<u>\$ 1,644,728</u>
<u>2019</u>			
Opening net book amount	\$ 479,756	\$ 1,164,972	\$ 1,644,728
Reclassifications (Note)	(465,686)	(1,164,972)	(1,630,658)
Closing net book amount	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>
<u>At June 30, 2019</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>

(Note) The investment property was reclassified to property, plant and equipment as the percentage of a portion of the investment property for its own use exceeded 20% from the first quarter of 2019.

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Rental income from the lease of the investment property	<u>\$ 323</u>	<u>\$ 1,618</u>
	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Rental income from the lease of the investment property	<u>\$ 645</u>	<u>\$ 3,214</u>

B. The fair value of the investment property held by the Group, which is the land used for water conservation, as at June 30, 2020, December 31, 2019 and June 30, 2019 cannot be reliably measured because the comparable market transactions are infrequent and alternative reliable estimates of fair value are not available.

(12) Intangible assets

	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Technical Skill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2020</u>							
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)
	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>
<u>2020</u>							
Opening net book amount	\$ 2,980,130	\$ 547,823	\$ 56,533,663	\$ 11,224,987	\$ 9,827,800	\$ 1,318,250	\$ 82,432,653
Additions - acquired separately	-	3,830	-	-	-	274,258	278,088
Additions - acquired through business combinations	-	-	219,391	145,429	-	46,091	410,911
Reclassifications (Note)	-	-	(27,626)	-	-	-	(27,626)
Amortisation	(123,659)	(78,981)	-	(845,950)	(578,674)	(315,194)	(1,942,458)
Net exchange differences	(20,644)	24,908	(512,523)	(82,249)	(105,917)	(90,143)	(786,568)
Closing net book amount	<u>\$ 2,835,827</u>	<u>\$ 497,580</u>	<u>\$ 56,212,905</u>	<u>\$ 10,442,217</u>	<u>\$ 9,143,209</u>	<u>\$ 1,233,262</u>	<u>\$ 80,365,000</u>
<u>At June 30, 2020</u>							
Cost	\$ 3,946,286	\$ 1,936,407	\$ 56,220,826	\$ 18,217,310	\$ 11,792,362	\$ 3,972,948	\$ 96,086,139
Accumulated amortisation and impairment	(1,110,459)	(1,438,827)	(7,921)	(7,775,093)	(2,649,153)	(2,739,686)	(15,721,139)
	<u>\$ 2,835,827</u>	<u>\$ 497,580</u>	<u>\$ 56,212,905</u>	<u>\$ 10,442,217</u>	<u>\$ 9,143,209</u>	<u>\$ 1,233,262</u>	<u>\$ 80,365,000</u>

(Note) The reclassifications resulted from the reallocation of the purchase price relative to the acquisition of Amerlux.

	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Technical Skill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2019</u>							
Cost	\$ 3,677,160	\$ 1,587,354	\$ 19,987,587	\$ 11,055,632	\$ 4,010,083	\$ 3,220,854	\$ 43,538,670
Accumulated amortisation and impairment	(835,968)	(1,148,612)	(7,291)	(5,629,871)	(1,082,984)	(2,205,556)	(10,910,282)
	<u>\$ 2,841,192</u>	<u>\$ 438,742</u>	<u>\$ 19,980,296</u>	<u>\$ 5,425,761</u>	<u>\$ 2,927,099</u>	<u>\$ 1,015,298</u>	<u>\$ 32,628,388</u>
<u>2019</u>							
Opening net book amount	\$ 2,841,192	\$ 438,742	\$ 19,980,296	\$ 5,425,761	\$ 2,927,099	\$ 1,015,298	\$ 32,628,388
Additions - acquired separately	-	4,608	-	-	-	183,967	188,575
Additions - acquired through business combinations	474,000	254,419	37,286,478	7,863,413	8,357,715	879,706	55,115,731
Reclassifications	-	-	-	-	(7,722)	7,722	-
Amortisation	(112,790)	(59,075)	-	(645,357)	(266,216)	(301,767)	(1,385,205)
Net exchange differences	<u>11,335</u>	<u>(54,829)</u>	<u>767,414</u>	<u>(113,370)</u>	<u>(242,631)</u>	<u>(268,130)</u>	<u>99,789</u>
Closing net book amount	<u>\$ 3,213,737</u>	<u>\$ 583,865</u>	<u>\$ 58,034,188</u>	<u>\$ 12,530,447</u>	<u>\$ 10,768,245</u>	<u>\$ 1,516,796</u>	<u>\$ 86,647,278</u>
<u>At June 30, 2019</u>							
Cost	\$ 4,162,495	\$ 1,791,552	\$ 58,041,479	\$ 18,805,675	\$ 12,117,445	\$ 4,024,119	\$ 98,942,765
Accumulated amortisation and impairment	(948,758)	(1,207,687)	(7,291)	(6,275,228)	(1,349,200)	(2,507,323)	(12,295,487)
	<u>\$ 3,213,737</u>	<u>\$ 583,865</u>	<u>\$ 58,034,188</u>	<u>\$ 12,530,447</u>	<u>\$ 10,768,245</u>	<u>\$ 1,516,796</u>	<u>\$ 86,647,278</u>

A. Details of amortisation on intangible assets are as follows:

	Three months ended June 30,	
	2020	2019
Operating costs	\$ 13,229	\$ 12,519
Selling expenses	469,059	417,806
Administrative expenses	35,247	66,512
Research and development expenses	436,052	289,040
	<u>\$ 953,587</u>	<u>\$ 785,877</u>

	Six months ended June 30,	
	2020	2019
Operating costs	\$ 26,052	\$ 25,461
Selling expenses	973,339	762,913
Administrative expenses	71,676	124,158
Research and development expenses	871,391	472,673
	<u>\$ 1,942,458</u>	<u>\$ 1,385,205</u>

B. The Group acquired registered or under-application trademark rights such as



and . Trademarks are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortised but are tested for impairment annually.

C. Goodwill and trademarks with indefinite useful lives are allocated as follows to the Group's cash-generating units identified according to operating segment:

	June 30, 2020	December 31, 2019	June 30, 2019
Goodwill:			
DET	\$ 35,230,349	\$ 35,646,502	\$ 36,930,632
Eltek	5,105,156	5,165,460	5,318,788
Cyntec	5,146,053	5,146,053	5,146,053
Vivotek Inc.	3,232,954	3,232,954	3,232,954
DCI	2,458,246	2,487,284	2,576,886
DGC	1,703,221	1,723,340	1,800,778
Loy Tec	1,370,494	1,386,683	1,436,637
Amerlux	1,149,383	1,189,170	997,707
Others	817,049	556,217	593,753
	<u>\$ 56,212,905</u>	<u>\$ 56,533,663</u>	<u>\$ 58,034,188</u>
Trademarks:			
Automation business	\$ 691,811	\$ 691,811	\$ 691,811
Power electronics business	386,823	386,823	386,823
	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>

Acquisition prices in business combination are calculated based on the price of acquisition and direct costs for related acquisition. The amount of goodwill recognised is the difference of the acquisition price less net fair value of identifiable assets acquired. The amortisation duration of acquisition price may not exceed one year after the acquisition.

D. As at June 30, 2020, the Group's goodwill arose from business combinations amounting to \$56,212,905 in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies. Based on IAS 36, goodwill acquired in a business combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows and the impairment of goodwill is calculated based on value in use and carrying amount of net assets of each company.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are operating profit margin growth rate and discount rate.

Management determined budgeted operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(13) Other non-current assets

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Prepayments for business facilities	\$ 838,027	\$ 1,101,540	\$ 1,030,533
Guarantee deposits paid	303,272	333,011	383,119
Prepayments for long-term investments	240,486	72,259	84,983
Cash surrender value of life insurance	50,084	53,953	57,013
Others	659,695	621,596	560,520
	<u>\$ 2,091,564</u>	<u>\$ 2,182,359</u>	<u>\$ 2,116,168</u>

(14) Short-term borrowings

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Unsecured bank loans	\$ 3,986,871	\$ 7,575,932	\$ 6,214,897
Credit lines	\$ 83,758,084	\$ 73,937,712	\$ 79,135,357
Interest rate range	<u>0.40%~7.51%</u>	<u>0.40%~9.15%</u>	<u>0.40%~7.01%</u>

(15) Long-term borrowings

Type of borrowings	June 30, 2020	December 31, 2019	June 30, 2019
Credit loans	\$ 31,013,952	\$ 27,439,702	\$ 30,708,135
Collateral loans	364,965	374,673	389,394
	31,378,917	27,814,375	31,097,529
Less: Current portion (shown as other current liabilities)	(57,713)	(65,536)	(182,241)
	\$ 31,321,204	\$ 27,748,839	\$ 30,915,288
Credit lines	\$ 76,676,271	\$ 78,477,044	\$ 76,112,702
Interest rate range	0.31%~6.23%	0.38%~6.23%	0.38%~6.23%

- A. As at June 30, 2020, the revolving loans of \$30,597,120 can be drawn down during the period from May 30, 2019 to May 30, 2024 and are payable before the due date under the agreement.
- B. Information in relation to the assets pledged to others as collateral for bank borrowings is provided in Note 8.

(16) Pensions

A. Defined benefit plans

(a) The Group has a defined benefit pension plan as follows:

- i. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next June.
- ii. Certain subsidiaries located in Mainland China maintain defined benefit retirement (resignation) plans with relative contribution scheme. The employees and the subsidiaries contribute an amount relatively based on a certain percentage of the monthly basic salary

depending on the employee's position. When an employee retires or resigns, the total contribution from the employee is reimbursed based on the accumulated contribution (without interest) less withdrawals made by the employee in advance during the service period. The employee is also entitled to receive benefits calculated based on the accumulated contribution (without interest) from the related subsidiary multiplied by the approved benefit percentage for the employee's service years less withdrawals made by the employee in advance during the service period. The scheme mentioned above ceased on August 1, 2004. The amount contributed before was archived, and the payment scheme was not changed.

- iii. The subsidiaries in Thailand have an obligation to pay certain retirement benefits when employees retire based on labor regulations.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$36,140, \$150,261, \$72,922 and \$198,416 for the three months and six months ended June 30, 2020 and 2019, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group within one year from June 30, 2020 are \$136,361.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Other overseas companies have defined contribution plans in accordance with the local regulations. Other than the periodic contribution, the overseas companies have no further obligations.

(17) Share capital

- A. In accordance with the Company's Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at June 30, 2020, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no

dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

(a) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(b) Redemption of GDRs

For sales and redemption of the underlying common shares represented by the GDRs when the holders of the GDRs request the Depositary to redeem the GDRs in accordance with the relevant R.O.C. regulations and the provisions in the Depositary Agreement, the Depositary may (i) deliver the underlying common shares represented by the GDRs to the GDR holders, or (ii) sell the underlying common shares represented by the GDRs in the R.O.C. stock market on behalf of the GDR holder. The payment of proceeds from such sale shall be made subject to the relevant R.O.C. laws and regulations and the provisions in the Depositary Agreement.

(c) Distribution of dividends, preemptive rights and other rights

Distribution of dividends, preemptive rights and other rights and interests of GDR units bear the same rights as common shares.

(d) After considering the stock dividend distribution year by year, as at June 30, 2020, there were 540 thousand units outstanding, representing 2,698 thousand common shares of the Company's common stock.

(18) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. Under the Company's Articles of Incorporation approved by the shareholders on June 8, 2016, the current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues.

(b) Offset against prior years' operating losses, if any.

(c) Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.

(d) Setting aside or reversing a special reserve according to relevant regulations when necessary.

- (e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2019 and 2018 earnings had been approved by the shareholders during their meeting on June 10, 2020 and June 10, 2019, respectively. Details are summarised below:

	Years ended December 31,			
	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,311,780		\$ 1,819,310	
Special reserve appropriated	61,002		472,889	
Cash dividends	12,987,717	\$ 5.0	12,987,717	\$ 5.0

The appropriations of 2019 earnings had been resolved during the shareholders' meeting. Therefore, the consolidated financial statements had reflected the dividends payable. Information about the appropriation of earnings will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Operating revenue

	Three months ended June 30,	
	2020	2019
Revenue from contracts with customers	\$ 70,694,451	\$ 73,374,101

	Six months ended June 30,	
	2020	2019
Revenue from contracts with customers	\$ 126,372,792	\$ 127,476,328

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major business:

	Three months ended June 30, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 37,849,117	\$ 10,519,180	\$ 22,284,666	\$ 41,488	\$ 70,694,451
Timing of revenue recognition					
At a point in time	\$ 37,848,255	\$ 9,556,185	\$ 20,957,974	\$ 34,353	\$ 68,396,767
Over time	862	962,995	1,326,692	7,135	2,297,684
	<u>\$ 37,849,117</u>	<u>\$ 10,519,180</u>	<u>\$ 22,284,666</u>	<u>\$ 41,488</u>	<u>\$ 70,694,451</u>
	Three months ended June 30, 2019				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 36,243,863	\$ 9,903,910	\$ 27,139,825	\$ 86,503	\$ 73,374,101
Timing of revenue recognition					
At a point in time	\$ 36,168,427	\$ 8,729,647	\$ 25,614,580	\$ 76,598	\$ 70,589,252
Over time	75,436	1,174,263	1,525,245	9,905	2,784,849
	<u>\$ 36,243,863</u>	<u>\$ 9,903,910</u>	<u>\$ 27,139,825</u>	<u>\$ 86,503</u>	<u>\$ 73,374,101</u>
	Six months ended June 30, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 66,486,120	\$ 19,015,403	\$ 40,750,375	\$ 120,894	\$ 126,372,792
Timing of revenue recognition					
At a point in time	\$ 66,482,215	\$ 17,320,617	\$ 38,565,836	\$ 53,732	\$ 122,422,400
Over time	3,905	1,694,786	2,184,539	67,162	3,950,392
	<u>\$ 66,486,120</u>	<u>\$ 19,015,403</u>	<u>\$ 40,750,375</u>	<u>\$ 120,894</u>	<u>\$ 126,372,792</u>

	Six months ended June 30, 2019				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 59,777,781	\$ 18,493,752	\$ 49,029,122	\$ 175,673	\$ 127,476,328
Timing of revenue recognition					
At a point in time	\$ 59,371,526	\$ 16,425,110	\$ 46,333,410	\$ 156,795	\$ 122,286,841
Over time	406,255	2,068,642	2,695,712	18,878	5,189,487
	\$ 59,777,781	\$ 18,493,752	\$ 49,029,122	\$ 175,673	\$ 127,476,328

B. Contract assets and liabilities

The Group has recognised the revenue-related contract assets primarily from automation equipment contracts and resolution of communication equipment power resource system; contract liabilities primarily pertain to advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.

Revenue recognised that was included in the contract liability balance at the beginning of the period is as follows:

	Three months ended June 30,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ -	\$ -
	Six months ended June 30,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ 3,352,208	\$ 2,643,318

(21) Interest income

	Three months ended June 30,	
	2020	2019
Interest income from bank deposits	\$ 144,164	\$ 239,257
Other interest income	1,288	515
	<u>\$ 145,452</u>	<u>\$ 239,772</u>

	Six months ended June 30,	
	2020	2019
Interest income from bank deposits	\$ 306,893	\$ 492,160
Other interest income	1,604	808
	<u>\$ 308,497</u>	<u>\$ 492,968</u>

(22) Other income

	Three months ended June 30,	
	2020	2019
Sample sales income	\$ 60,526	\$ 52,099
Rental income	41,354	34,057
Testing fee income	50,994	23,719
Mold fee income	33,234	34,809
Dividend income	24,758	47,744
Others	581,163	736,344
	<u>\$ 792,029</u>	<u>\$ 928,772</u>

	Six months ended June 30,	
	2020	2019
Sample sales income	\$ 137,999	\$ 105,698
Rental income	72,789	61,312
Testing fee income	66,182	81,618
Mold fee income	55,436	150,903
Dividend income	32,884	83,117
Others	1,446,588	1,201,400
	<u>\$ 1,811,878</u>	<u>\$ 1,684,048</u>

(23) Other gains and losses

	Three months ended June 30,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 18,587)	(\$ 18,731)
Gain on disposal of investments (Note)	7,240	5,909,660
Net currency exchange loss	(403,598)	(1,990)
Gain on financial assets/liabilities at fair value through profit or loss	730,492	208,763
Reversal of impairment loss		
Reversal of impairment loss on property, plant and equipment	-	86,832
Miscellaneous disbursements	(198,886)	(93,498)
	<u>\$ 116,661</u>	<u>\$ 6,091,036</u>
	Six months ended June 30,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 32,342)	(\$ 26,592)
(Loss) gain on disposal of investments (Note)	(77,445)	5,813,219
Net currency exchange gain	331,933	107,774
(Loss) gain on financial assets/liabilities at fair value through profit or loss	(40,796)	250,655
Reversal of impairment loss		
Reversal of impairment loss on property, plant and equipment	-	86,832
Miscellaneous disbursements	(251,715)	(365,999)
	<u>(\$ 70,365)</u>	<u>\$ 5,865,889</u>

(Note) The Group recognised a gain (loss) as a result of measuring at fair value its 41% and 20.93% equity interest in DPI and DET, respectively, held before the business combination. Please refer to Note 6(30) for more information.

(24) Finance costs

	Three months ended June 30,	
	2020	2019
Interest expense	\$ 98,001	\$ 205,309
Loss on hedging instruments	-	2,508
	<u>\$ 98,001</u>	<u>\$ 207,817</u>

	Six months ended June 30,	
	2020	2019
Interest expense	\$ 210,826	\$ 364,913
Loss on hedging instruments	-	6,124
	<u>\$ 210,826</u>	<u>\$ 371,037</u>

(25) Expenses by nature

	Three months ended June 30,	
	2020	2019
Employee benefit expense	\$ 15,817,433	\$ 15,478,115
Depreciation charges on property, plant and equipment	2,782,071	2,633,298
Depreciation charges on right-of-use assets	169,203	163,966
Amortisation charges on intangible assets	953,587	785,877
	<u>\$ 19,722,294</u>	<u>\$ 19,061,256</u>

	Six months ended June 30,	
	2020	2019
Employee benefit expense	\$ 28,798,561	\$ 26,962,662
Depreciation charges on property, plant and equipment	5,532,328	4,810,033
Depreciation charges on right-of-use assets	323,029	300,143
Amortisation charges on intangible assets	1,942,458	1,385,205
	<u>\$ 36,596,376</u>	<u>\$ 33,458,043</u>

(26) Employee benefit expense

	Three months ended June 30,	
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 250,829	\$ 230,693
Defined benefit plans	36,140	150,261
	<u>286,969</u>	<u>380,954</u>
Other employee benefits	15,530,464	15,097,161
	<u>\$ 15,817,433</u>	<u>\$ 15,478,115</u>

	Six months ended June 30,	
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 496,423	\$ 430,464
Defined benefit plans	72,922	198,416
	<u>569,345</u>	<u>628,880</u>
Other employee benefits	28,229,216	26,333,782
	<u>\$ 28,798,561</u>	<u>\$ 26,962,662</u>

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 1% for directors' remuneration.
- B. For the three months and six months ended June 30, 2020 and 2019, employees' compensation was accrued at \$900,653, \$566,953, \$1,211,368 and \$1,006,213, respectively; while directors' remuneration was accrued at \$10,437, \$22,074, \$19,886 and \$33,615, respectively. The aforementioned amounts were recognised in salary expenses.

For the six months ended June 30, 2020, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as at the end of reporting period as prescribed by the Company's Articles of Incorporation.

The employees' compensation of \$1,763,122 and directors' remuneration of \$29,400 for 2019 were resolved by the Board of Directors on March 10, 2020. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2019 financial statements. For directors' compensation of \$39,144, the difference of \$9,744 between the amount resolved at the Board meeting and the amount recognised in the 2019 financial statements had been adjusted in profit or loss for 2020.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2020	2019
Current tax:		
Current tax on profits for the period	\$ 1,025,624	\$ 3,528,356
Prior year income tax overestimation	(57,600)	(206,601)
Tax on undistributed surplus earnings	141,565	144,720
Total current tax	1,109,589	3,466,475
Deferred tax:		
Origination and reversal of temporary differences	963,370	(1,041,394)
	<u>\$ 2,072,959</u>	<u>\$ 2,425,081</u>

	Six months ended June 30,	
	2020	2019
Current tax:		
Current tax on profits for the period	\$ 1,616,088	\$ 4,318,742
Prior year income tax overestimation	(57,600)	(335,481)
Tax on undistributed surplus earnings	156,820	144,720
Total current tax	1,715,308	4,127,981
Deferred tax:		
Origination and reversal of temporary differences	966,098	(1,214,142)
	<u>\$ 2,681,406</u>	<u>\$ 2,913,839</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended June 30,	
	2020	2019
Currency translation differences	(\$ 205,702)	\$ 484,082
Gain or loss on hedging instruments	1,228	29,793
Unrealised loss on financial assets measured at fair value through other comprehensive	-	(3,363)
	<u>(\$ 204,474)</u>	<u>\$ 510,512</u>

	Six months ended June 30,	
	2020	2019
Currency translation differences	(\$ 325,678)	\$ 920,947
Gain or loss on hedging instruments	(2,207)	2,098
Unrealised loss on financial assets measured at fair value through other comprehensive	-	(3,363)
	<u>(\$ 327,885)</u>	<u>\$ 919,682</u>

B. The status of the Company and its domestic subsidiaries' assessed and approved income tax returns are as follows:

	Latest year assessed by Tax Authority
The Company, DECC, Cyntec, and Vivotek	2017
DeIBio, UNICOM, AMT, Power Forest Technology Corporation, Lidlight Inc., Vatics Inc., Realwin., Otus Imaging, Inc. and Aetek Inc.	2018

(28) Earnings per share

	Three months ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 7,597,454</u>	<u>2,597,543</u>	<u>\$ 2.92</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent			
Assumed conversion of all dilutive potential ordinary shares:	\$ 7,597,454	2,597,543	
Employees' compensation	-	5,482	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 7,597,454</u>	<u>2,603,025</u>	<u>\$ 2.92</u>

Three months ended June 30, 2019

	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,529,665	2,597,543	\$ 3.67
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,529,665	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	5,032	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,529,665	2,602,575	\$ 3.66

Six months ended June 30, 2020

	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,664,753	2,597,543	\$ 3.72
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,664,753	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	10,580	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,664,753	2,608,123	\$ 3.71

Six months ended June 30, 2019			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 12,902,085	2,597,543	\$ 4.97
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 12,902,085	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	9,474	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 12,902,085	2,607,017	\$ 4.95

(29) Share-based payment

A. For the six months ended June 30, 2020 and 2019, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Power Forest - Employee stock options	2017.3.3	1,000,000	6 years	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
//	2018.3.30	500,000	6 years	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
Vatics Inc. - Employee stock options	2016.11.8	2,116,000	4 years	1~3 years' service
Vivotek Inc. - Plan of restricted stocks to employees	2017.11.20	700,000	2 years	1~2 years' performance
//	2019.8.19	800,000	2 years	1~2 years' performance

B. Details of the share-based payment arrangements are as follows:

(a) Employee share options

	2020		2019	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding opening balance at January 1	1,672,000	\$ 15.79	1,960,000	\$ 15.72
Options forfeited	(100,000)	15.00	(187,000)	15.00
Options exercised	(690,000)	15.00	-	-
Options expired	(36,000)	16.50	(31,000)	16.50
Options outstanding at June 30	<u>846,000</u>	<u>\$ 16.50</u>	<u>1,742,000</u>	<u>\$ 15.79</u>
Options exercisable at June 30	<u>846,000</u>	<u>\$ 16.50</u>	<u>1,086,500</u>	<u>\$ 15.94</u>

(b) Restricted stocks to employees

	2020	2019
	No. of shares	No. of shares
January 1	798,000	345,500
Expired during the period	(17,000)	-
June 30	<u>781,000</u>	<u>345,500</u>

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		June 30, 2020	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2020	846,000	\$ 16.50
		December 31, 2019	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2020	882,000	\$ 16.50
March 3, 2017	March 2, 2023	430,000	15.00
March 30, 2018	March 29, 2024	360,000	15.00

		June 30, 2019	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
November 8, 2016	November 7, 2019	912,000	\$ 16.50
March 3, 2017	March 2, 2023	445,000	15.00
March 30, 2018	March 29, 2024	385,000	15.00

D. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life (years)	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Power Forest- Employee stock options	2017.3.3	\$ 18.38	\$ 15.00	32.08%~ 33.22% (Note)	3.5~4.5	5%	0.79%~ 0.88%	4.0053~ 4.0960
"	2018.3.30	16.42	15.00	32.43%~ 33.08% (Note)	3.5~4.5	5%	0.63%~ 0.68%	3.0262~ 3.0767
Vatics Inc.- Employee stock options	2016.11.8	14.60	16.50	36.37%~ 37.25% (Note)	2.5~3.5	Not applicable	0.57%~ 0.67%	2.7995~ 3.3727
Vivotek Inc.- Plan of restricted stocks to employees	2017.11.20	97.20	-	Not applicable	1~2	Not applicable	Not applicable	97.20
"	2019.8.19	102.50	-	Not applicable	1~2	Not applicable	Not applicable	102.50

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Three months ended June 30,	
	2020	2019
Equity-settled	\$ 24	\$ 213
	Six months ended June 30,	
	2020	2019
Equity-settled	\$ 9,949	\$ 943

(30) Business combinations

A. Business combinations of the Group for the six months ended June 30, 2020 and 2019 are as follows:

- (a) On January 6, 2020, the Group acquired 59% of the share capital of the Group's associate, Digital Projection International Ltd. (DPI), for \$250,380 and obtained control over DPI. As a result of the acquisition, the Group is expected to strengthen the product lines in projector market. The amortisation duration of the acquisition price will be completed in one year after the acquisition.
- (b) On April 2, 2019, the Group acquired 42.85% of the share capital of the Group's associate, DET, for \$36,874,645 and obtained control over DET. As a result of the acquisition, the Group is expected to decrease its risk on global trade and extend global business.
- (c) On June 1, 2019, the Group acquired 100% of the share capital of Amerlux for \$2,844,498 and obtained control over Amerlux. As a result of the acquisition, the Group is expected to improve the product mix of lighting fixtures and provide completed solutions to customers. In the second quarter of 2020, the acquisition price decreased by \$27,626 based on the adjustment terms in the contract.

B. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	<u>DPI</u>	<u>DET and Amerlux (Note)</u>
Purchase consideration		
Cash	\$ 250,380	\$ 39,719,143
Contingent consideration	-	243,422
	<u>250,380</u>	<u>39,962,565</u>
Fair value of equity interest held before the business combination	173,132	18,057,035
Fair value of the non-controlling interest	-	30,575,137
	<u>423,512</u>	<u>88,594,737</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	29,756	15,701,128
Other current assets	413,005	22,719,840
Property, plant and equipment	47,035	9,984,301
Intangible assets	191,520	17,170,117
Deferred tax assets	-	244,895
Other non-current assets	23,543	281,247
Other current liabilities	(496,015)	(13,250,975)
Deferred tax liabilities	-	(119,870)
Other non-current liabilities	(4,723)	(2,051,916)
Total identifiable net assets	<u>204,121</u>	<u>50,678,767</u>
Goodwill	<u>\$ 219,391</u>	<u>\$ 37,915,970</u>

(Note) The allocation of the acquisition price was completed.

C. The fair value of DPI of the acquired identifiable intangible assets and goodwill of \$191,520 and \$219,391 respectively is provisional pending receipt of the final valuations for those assets.

D. The Group originally held 41% of share ownership in DPI and 20.93% of share ownership in DET before the business combination. (Loss) gain on remeasurement of fair value for the six months ended June 30, 2020 and 2019 amounted to (\$47,636) and \$5,925, 521, respectively.

(31) Supplemental cash flow information

Financing activities with no cash flow effects:

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash dividends declared but not yet paid	<u>\$ 12,987,717</u>	<u>\$ 12,987,717</u>
Cash dividends declared but not yet paid to non- controlling interest	<u>\$ 108,072</u>	<u>\$ -</u>

(32) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2020	\$ 7,575,932	\$ 27,814,375	\$ 35,390,307
Changes in cash flow from financing activities	(3,589,061)	3,564,542	(24,519)
At June 30, 2020	<u>\$ 3,986,871</u>	<u>\$ 31,378,917</u>	<u>\$ 35,365,788</u>

	<u>Short-term borrowings</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2019	\$ 6,259,062	\$ 25,406,487	\$ 31,665,549
Changes in cash flow from financing activities	(44,165)	5,691,042	5,646,877
At June 30, 2019	<u>\$ 6,214,897</u>	<u>\$ 31,097,529</u>	<u>\$ 37,312,426</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

<u>Names and relationship of related parties</u>	<u>Relationship with the Group</u>
Delta Electronics (Thailand) Public Company Limited	It was an associate before April 2, 2019, and became a subsidiary since April 2, 2019
Delta Electronics (Slovakia) s.r.o.	"
Delta Electronics India Pvt. Ltd.	"
Delta Energy Systems (Singapore) PTE. LTD.	"
Delta Electronics (Australia) Pty. Ltd.	"
Eltek s.r.o.	"
Delta Power Solutions (India) Pvt. Ltd.	Merged with Delta Electronics India Pvt. Ltd. in February 2019
Digital Projection Ltd.	It was an associate before January 6, 2020 and became a subsidiary since January 6, 2020
Digital Projection Inc.	"
Optovue, Inc.	Associate
Compower AS	"
Fujian Kaixin Constructon Engineering Co., Ltd.	"
Delta Networks (Xiamen) Ltd.	"
Digital Projection Asia Pte Ltd.	"

(2) Significant transactions and balances with related parties

A. Operating revenue

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods:		
Associates	\$ 28,726	\$ 382,987
Sales of services:		
Associates	2	1,926
	<u>\$ 28,728</u>	<u>\$ 384,913</u>

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods:		
Associates	\$ 49,628	\$ 1,607,238
Sales of services:		
Associates	2	422,192
	<u>\$ 49,630</u>	<u>\$ 2,029,430</u>

The sales terms, including prices and collections, were negotiated based on cost, market, competitors and other factors. Sales of services are negotiated with related parties on a cost-plus basis.

B. Purchases of goods

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods:		
Associates	\$ 8,291	\$ 24,958

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods:		
Associates	\$ 22,934	\$ 1,471,219

The purchase terms, including prices and payments, were negotiated based on cost, market, competitors and other factors.

C. Period-end balances arising from sales of goods and services

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Receivables from related parties:			
Associates	\$ 31,700	\$ 263,644	\$ 391,017

The receivables from related parties arise mainly from sales transactions. The receivables are due

75 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Period-end balances arising from purchases of goods

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Payables to related parties:			
Associates	\$ 8,038	\$ 32,197	\$ 6,669

The payables to related parties arise mainly from purchase transactions and are due 70 days after the date of purchase. The payables bear no interest.

E. Period-end balances arising from other transactions

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Other receivables-related parties			
Associates	\$ 116	\$ 532	\$ 4,933

The above pertain mainly to payments on behalf of others.

(3) Key management compensation

	<u>Three months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 84,152	\$ 152,735
Post-employment benefits	200	226
	<u>\$ 84,352</u>	<u>\$ 152,961</u>

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 121,464	\$ 237,521
Post-employment benefits	392	490
	<u>\$ 121,856</u>	<u>\$ 238,011</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged assets</u>	<u>Book Value</u>			<u>Pledge purpose</u>
	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>	
Demand deposits (shown as other current assets)	\$ 40,935	\$ 44,856	\$ 153,108	Performance bonds
Time deposits (shown as other current assets)	461,521	232,150	215,828	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Time deposits (shown as other non-current assets)	45,682	49,505	-	Custom guarantee
Property, plant and equipment	<u>573,945</u>	<u>578,606</u>	<u>585,269</u>	Long-term borrowings and credit line
	<u>\$ 1,122,083</u>	<u>\$ 905,117</u>	<u>\$ 954,205</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Property, plant and equipment	<u>\$ 7,919,101</u>	<u>\$ 8,309,363</u>	<u>\$ 5,340,832</u>
Costs of computer software	<u>\$ 198,974</u>	<u>\$ 163,391</u>	<u>\$ 285,000</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to maintain an integrity credit rating and good capital structure to support operating and maximum stockholders' equity.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>3,063,671</u>	\$ <u>3,347,697</u>	\$ <u>3,768,238</u>
Financial assets at fair value through other comprehensive income			
Selected designated investments in equity instruments	\$ <u>1,575,784</u>	\$ <u>2,117,124</u>	\$ <u>2,547,761</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 49,289,984	\$ 43,960,001	\$ 44,201,138
Notes receivable	2,969,244	3,816,628	3,981,226
Accounts receivable	54,081,493	53,218,750	59,728,862
Other receivables	1,531,362	1,480,157	1,484,688
Guarantee deposits	303,272	333,011	383,119
Other financial assets	941,847	326,511	368,936
	\$ <u>109,117,202</u>	\$ <u>103,135,058</u>	\$ <u>110,147,969</u>

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities designated as at fair value through profit or loss	\$ 16,431	\$ 15,929	\$ 24,247
Financial liabilities at amortised cost			
Short-term borrowings	\$ 3,986,871	\$ 7,575,932	\$ 6,214,897
Notes payable	12,602	21,669	6,155
Accounts payable	44,886,601	39,510,659	41,653,509
Other payables	41,000,559	28,829,379	39,334,835
Long-term borrowings (including current portion)	31,378,917	27,814,375	31,097,529
Guarantee deposits received	413,608	387,488	158,702
	<u>\$ 121,679,158</u>	<u>\$ 104,139,502</u>	<u>\$ 118,465,627</u>
Lease liabilities (including current portion)	<u>\$ 1,957,815</u>	<u>\$ 1,946,635</u>	<u>\$ 2,260,802</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Note 6(2)).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, foreign exchange swap contracts

and options, transacted with Group treasury.

- iii. The Group adopts the derivative financial instruments like forward exchange contracts / forward exchange transactions, etc. to hedge the fair value risk and cash flow risk due to foreign exchange rate fluctuations. The Group monitors at any time and pre-sets a “stop loss” amount to limit its foreign exchange risk.
- iv. The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 394,436	29.6300	\$ 11,687,137
USD:RMB (Note)	383,474	7.0757	11,362,334
USD:THB (Note)	201,473	30.7206	5,969,645
RMB:USD (Note)	997,613	0.1413	4,177,603
EUR:USD (Note)	82,735	1.1228	2,752,609
<u>Non-monetary items</u>			
USD:NTD	\$ 5,012,409	29.6300	\$ 148,517,682
THB:USD (Note)	49,997,802	0.0326	48,222,880
RMB:USD (Note)	9,322,733	0.1413	39,039,878
USD:THB (Note)	548,280	30.7206	16,245,544
NOK:USD (Note)	4,033,307	0.1027	12,273,354
THB:NTD	4,582,970	0.9645	4,420,275
EUR:USD (Note)	72,968	1.1228	2,427,640
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 337,196	29.6300	\$ 9,991,130
RMB:USD (Note)	2,002,303	0.1413	8,384,845
USD:RMB (Note)	233,613	7.0757	6,921,950
USD:THB (Note)	199,554	30.7206	5,912,799
SGD:USD (Note)	49,350	0.7168	1,048,191

Note: Certain consolidated entities’ functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

December 31, 2019

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 376,392	29.9800	\$ 11,284,239
EUR:USD (Note)	76,590	1.1204	2,572,651
RMB:USD (Note)	1,264,427	0.1436	5,442,070
USD:RMB (Note)	417,948	6.9756	12,530,081
USD:THB (Note)	160,067	29.6900	4,798,813
<u>Non-monetary items</u>			
USD:NTD	\$ 4,761,343	29.9800	\$ 142,745,063
THB:USD (Note)	48,841,876	0.0337	49,320,526
RMB:USD (Note)	7,144,181	0.1436	30,748,410
NOK:USD (Note)	3,740,486	0.1137	12,748,138
THB:NTD	4,544,178	1.0098	4,588,711
EUR:USD (Note)	73,212	1.1204	2,459,179
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 331,831	29.9800	\$ 9,948,281
RMB:USD (Note)	1,816,382	0.1436	7,817,670
USD:RMB (Note)	242,021	6.9756	7,255,785
USD:THB (Note)	183,394	29.6900	5,498,147

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

June 30, 2019

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:RMB (Note)	\$ 589,578	6.8696	\$ 18,312,293
USD:NTD	370,911	31.0600	11,520,492
USD:THB (Note)	278,926	30.5558	8,663,438
RMB:USD (Note)	1,052,542	0.1456	4,758,932
EUR:USD (Note)	69,621	1.1391	2,463,207
<u>Non-monetary items</u>			
USD:NTD	\$ 4,625,862	31.0600	\$ 143,679,259
THB:USD (Note)	50,005,972	0.0327	50,831,071
RMB:USD (Note)	6,640,039	0.1456	30,022,074
NOK:USD (Note)	3,499,749	0.1174	12,765,755
THB:NTD	4,596,314	1.0165	4,672,153
EUR:USD (Note)	72,885	1.1391	2,578,658
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 327,211	31.0600	\$ 10,163,183
USD:RMB (Note)	287,568	6.8696	8,931,854
RMB:USD (Note)	1,583,490	0.1456	7,159,545
USD:THB (Note)	176,534	30.5558	5,483,146
HKD:NTD	489,991	3.9770	1,948,695
JPY:NTD	4,949,863	0.2886	1,428,531

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

- v. Total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2020 and 2019 amounted to (\$403,598), (\$1,990), \$331,933 and \$107,774, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Six months ended June 30, 2020		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 116,871	\$ -
USD : RMB (Note)	1%	113,623	-
USD : THB (Note)	1%	59,696	-
RMB : USD (Note)	1%	41,776	-
EUR : USD (Note)	1%	27,526	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 99,911	\$ -
RMB : USD (Note)	1%	83,848	-
USD : RMB (Note)	1%	69,220	-
USD : THB (Note)	1%	59,128	-
SGD : USD (Note)	1%	10,482	-

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

Six months ended June 30, 2019

(Foreign currency: functional currency)	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : RMB (Note)	1%	\$ 183,123	\$ -
USD : NTD	1%	115,205	-
USD : THB (Note)	1%	86,634	-
RMB : USD (Note)	1%	47,589	-
EUR : USD (Note)	1%	24,632	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 101,632	\$ -
USD : RMB (Note)	1%	89,319	-
RMB : USD (Note)	1%	71,595	-
USD : THB (Note)	1%	54,831	-
HKD : NTD	1%	19,487	-
JPY : NTD	1%	14,285	-

Note: Certain consolidated entities' functional currency is not NTD. Therefore, the Group shall consider these items when disclosing the above information.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2020 and 2019 would have increased/decreased by \$10,869 and \$34,325, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$11,580 and \$25,478, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear fixed and variable interest rate. During the six months ended June 30, 2020 and 2019, the Group's

borrowings at variable rate were denominated in NTD, USD and JPY.

- ii. As at June 30, 2020 and 2019, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the six months ended June 30, 2020 and 2019 would have decreased by \$31,379 and \$31,098, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Group adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2020, December 31, 2019 and June 30, 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At June 30, 2020</u>			
Expected loss rate	0.01%	2.61%	23.10%
Total book value	\$ 50,328,392	\$ 3,279,600	\$ 342,124
Loss allowance	\$ 6,238	\$ 85,688	\$ 79,021

	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	39.72%	99.30%	
Total book value	\$ 440,515	\$ 731,840	\$ 55,122,471
Loss allowance	\$ 174,994	\$ 726,737	\$ 1,072,678

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2019</u>			
Expected loss rate	0.02%	1.05%	22.00%
Total book value	\$ 46,827,565	\$ 5,598,752	\$ 416,452
Loss allowance	\$ 9,549	\$ 58,661	\$ 91,616

	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	45.50%	96.56%	
Total book value	\$ 457,455	\$ 664,075	\$ 53,964,299
Loss allowance	\$ 208,124	\$ 641,243	\$ 1,009,193

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At June 30, 2019</u>			
Expected loss rate	0.03%	1.17%	22.57%
Total book value	\$ 54,802,284	\$ 3,902,274	\$ 482,543
Loss allowance	\$ 18,442	\$ 45,485	\$ 108,911

	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	44.04%	93.71%	
Total book value	\$ 501,542	\$ 682,446	\$ 60,371,089
Loss allowance	\$ 220,876	\$ 639,530	\$ 1,033,244

- ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable, accounts receivable, contract assets and overdue receivables are as follows:

	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
Provision for (reversal of) impairment loss	-	79,753	-	(3,463)	76,290
Acquired from business combinations	-	26,588	-	-	26,588
Write-offs during the period	-	(15)	-	(6,663)	(6,678)
Effect of foreign exchange	-	(42,841)	-	(17,664)	(60,505)
At June 30	<u>\$ -</u>	<u>\$ 1,072,678</u>	<u>\$ -</u>	<u>\$ 185,615</u>	<u>\$ 1,258,293</u>

	2019				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 960,844	\$ -	\$ 271,439	\$ 1,232,283
Acquired from business combinations	-	99,640	-	-	99,640
Reversal of impairment loss	-	(53,141)	-	(12,492)	(65,633)
Effect of foreign exchange	-	25,901	-	5,149	31,050
At June 30	<u>\$ -</u>	<u>\$ 1,033,244</u>	<u>\$ -</u>	<u>\$ 264,096</u>	<u>\$ 1,297,340</u>

For provisioned loss for the six months ended June 30, 2020 and 2019, the (provision for) reversal of impairment loss arising from customers' contracts amounted to (\$76,290) and \$65,633, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

Non-derivative financial liabilities:

<u>June 30, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,986,871	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	44,899,203	-	-	-
Other payables	41,000,559	-	-	-
Lease liabilities (including current portion)	558,391	388,812	467,097	543,515
Long-term borrowings (including current portion)	57,713	27,235,881	3,638,042	447,281

Non-derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 7,575,932	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	39,532,328	-	-	-
Other payables	28,829,379	-	-	-
Lease liabilities (including current portion)	525,370	372,557	506,528	542,180
Long-term borrowings (including current portion)	65,536	25,045,203	2,225,817	477,819

Non-derivative financial liabilities:

<u>June 30, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 6,214,897	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	41,659,664	-	-	-
Other payables	39,334,835	-	-	-
Lease liabilities (including current portion)	654,408	497,468	656,333	452,593
Long-term borrowings (including current portion)	182,241	30,283,538	116,714	515,036

Derivative financial liabilities:

As at June 30, 2020, December 31, 2019 and June 30, 2019, the Group's derivative financial liabilities are due within 1 year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts on financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,086,922	\$ -	\$1,600,280	\$2,687,202
Hybrid instruments	74,819	-	74,983	149,802
Derivative instruments	-	226,667	-	226,667
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>892,553</u>	<u>-</u>	<u>683,231</u>	<u>1,575,784</u>
	<u>\$2,054,294</u>	<u>\$ 226,667</u>	<u>\$2,358,494</u>	<u>\$4,639,455</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 16,431</u>	<u>\$ -</u>	<u>\$ 16,431</u>

<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,523,977	\$ -	\$1,581,800	\$3,105,777
Hybrid instruments	99,252	-	-	99,252
Derivative instruments	-	142,668	-	142,668
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,426,179</u>	<u>-</u>	<u>690,945</u>	<u>2,117,124</u>
	<u>\$3,049,408</u>	<u>\$ 142,668</u>	<u>\$2,272,745</u>	<u>\$5,464,821</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 15,929</u>	<u>\$ -</u>	<u>\$ 15,929</u>
<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,501,633	\$ -	\$1,930,906	\$3,432,539
Hybrid instruments	109,318	-	69,074	178,392
Derivative instruments	-	157,307	-	157,307
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,871,283</u>	<u>-</u>	<u>676,478</u>	<u>2,547,761</u>
	<u>\$3,482,234</u>	<u>\$ 157,307</u>	<u>\$2,676,458</u>	<u>\$6,315,999</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 24,247</u>	<u>\$ -</u>	<u>\$ 24,247</u>

D. The methods and assumptions that the Group used to measure fair value are as follows:

- (a) The instruments that the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Convertible (exchangeable)</u>
Market quoted price	Closing price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques that are approved for financial management.
- (c) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the six months ended June 30, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2020 and 2019:

	2020		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in other comprehensive income	-	(4,276)	(4,276)
Acquired during the period	74,983	33,300	108,283
Net exchange differences	-	(18,258)	(18,258)
At June 30	<u>\$ 74,983</u>	<u>\$ 2,283,511</u>	<u>\$ 2,358,494</u>

	2019		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ 69,074	\$ 3,188,195	\$ 3,257,269
Losses recognised in profit or loss	-	(9,151)	(9,151)
Losses recognised in other comprehensive income (loss)	-	(40,002)	(40,002)
Acquired during the period	-	123,915	123,915
Disposals during the period	-	(673,609)	(673,609)
Net exchange differences	-	18,036	18,036
At June 30	<u>\$ 69,074</u>	<u>\$ 2,607,384</u>	<u>\$ 2,676,458</u>

G. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical review. Investment property is evaluated regularly by the Group's financial treasury based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau.

The capital department establishes valuation policies, valuation processes and ensures compliance with the related requirements in IFRS. The related valuation results are reported to the management monthly. The management is responsible for managing and reviewing valuation processes.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,018,111	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	1.96~19.97 (3.43)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instruments:					
Convertible bonds	74,983	Most recent non-active market price	Not applicable	-	Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,007,345	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	1.96~19.97 (3.43)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at June 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,413,429	Most recent non-active market price	Not applicable	-	Not applicable
"	193,955	Market comparable companies	Price to book ratio multiple	0.97~3.8 (1.24)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instruments:					
Convertible bonds	69,074	Market comparable companies	Enterprise value to EBITDA	9.02 (9.02)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30% (30%)	The higher the discount for lack of marketability, the lower the fair value

- I. The Group's valuation techniques are based on the most recent non-active market price after carefully assessing the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		June 30, 2020				
		Recognised in profit or loss		Recognised in other comprehensive income (loss)		
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets						
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,275	(\$ 3,275)

			December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,275	(\$ 3,275)
			June 30, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 2,411	(\$ 2,411)
Hybrid instruments	Enterprise value to EBITDA	± 1%	\$ 691	(\$ 691)	\$ -	\$ -
	Discount for lack of marketability	± 1%	\$ 691	(\$ 691)	\$ -	\$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(4) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 5, 6 and 7 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the six months ended June 30, 2020.

(4) Major shareholders information

Please refer to table 10.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group's management has determined the reportable segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group considers the business from a product perspective. The Group's business is segregated into power electronics business, automation business and infrastructure business. Breakdown of the revenue from all sources is as follows:

- A. Power electronics: Component, Embedded Power, Fans and Thermal Management, Automotive Electronics and Merchant & Mobile Power.
- B. Automation: Industrial Automation and Building Automation.
- C. Infrastructure: ICT Infrastructure and Energy Infrastructure.

Because of the change of product classification, the Group's internal business segment restructured accordingly. The prior period information was restated for comparison.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Six months ended June 30, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	<u>\$ 66,486,120</u>	<u>\$ 19,015,403</u>	<u>\$ 40,750,375</u>	<u>\$ 126,251,898</u>
Segment income (Note)	<u>\$ 9,017,507</u>	<u>\$ 1,994,893</u>	<u>\$ 2,688,990</u>	<u>\$ 13,701,390</u>

	Six months ended June 30, 2019			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	<u>\$ 59,777,781</u>	<u>\$ 18,493,752</u>	<u>\$ 49,029,122</u>	<u>\$ 127,300,655</u>
Segment income (Note)	<u>\$ 6,279,847</u>	<u>\$ 1,732,247</u>	<u>\$ 3,173,301</u>	<u>\$ 11,185,395</u>

(Note) Segment income represents income after eliminating inter-segment transactions.

(4) Reconciliation information for segment income (loss)

- A. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income.
- B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the six months ended June 30, 2020 and 2019 is provided as follows:

	Six months ended June 30,	
	2020	2019
Reportable segments income	\$ 13,701,390	\$ 11,185,395
Other segments' loss	(2,456,496)	(2,677,715)
Non-operating income and expenses	1,785,842	7,881,850
Income before tax from continuing operations	<u>\$ 13,030,736</u>	<u>\$ 16,389,530</u>

Delta Electronics, Inc. and Subsidiaries

Loans to others

Six months ended June 30, 2020

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2020 (Note 2)	Balance at June 30, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	\$ 10,074,200	\$ 10,074,200	\$ 10,074,200	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 29,800,357	\$ 29,800,357	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	2,963,000	2,963,000	1,985,210	0.50%	2	-	Additional operating capital	-	None	-	29,800,357	29,800,357	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	8,044,545	8,044,545	8,044,545	0.50%	2	-	Additional operating capital	-	None	-	29,800,357	29,800,357	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	2,370,400	2,370,400	2,370,400	0.50%	2	-	Additional operating capital	-	None	-	5,481,641	5,481,641	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	859,270	859,270	859,270	0.50%	2	-	Additional operating capital	-	None	-	5,481,641	5,481,641	Note 5
3	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	7,911,210	7,911,210	7,911,210	0.50%	2	-	Additional operating capital	-	None	-	69,743,837	69,743,837	Note 5
3	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	14,577,960	13,926,100	13,926,100	0.50%	2	-	Additional operating capital	-	None	-	69,743,837	69,743,837	Note 5
3	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	977,790	977,790	977,790	0.50%	2	-	Additional operating capital	-	None	-	69,743,837	69,743,837	Note 5
3	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	1,371,869	1,371,869	927,419	0.50%	2	-	Additional operating capital	-	None	-	69,743,837	69,743,837	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	33,270	33,270	33,172	1.90%	2	-	Additional operating capital	-	None	-	2,213,954	2,213,954	Note 5
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,465,660	1,465,660	1,465,660	4.65%	2	-	Additional operating capital	-	None	-	4,476,324	4,476,324	Note 5
6	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	270,000	270,000	238,368	1.34%	2	-	Additional operating capital	-	None	-	280,452	561,405	Note 6

Table 1-1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2020 (Note 2)	Balance at June 30, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
6	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	\$ 10,000	\$ 10,000	\$ -	1.34%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 20,000	\$ 561,405	Note 6
6	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	15,000	-	1.34%	2	-	Additional operating capital	-	None	-	60,000	561,405	Note 6
7	GRANDVIEW HOLDING LTD.	CYNTEC HOLDING (HK) LTD.	Other receivables - related parties	Yes	2,963	2,963	2,963	0.50%	2	-	Additional operating capital	-	None	-	9,306,501	9,306,501	Note 5
8	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	412,548	412,548	412,548	0.40%	2	-	Additional operating capital	-	None	-	551,228	551,228	Note 5
9	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,481,500	1,481,500	1,481,500	4.00%	2	-	Additional operating capital	-	None	-	6,427,840	6,427,840	Note 5
10	Delta Greentech (Netherlands) BV	Eltek s.r.o.	Other receivables - related parties	Yes	232,890	232,890	-	0.40%	2	-	Additional operating capital	-	None	-	1,589,979	1,589,979	Note 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at June 30, 2020, which the Company reported to the Securities and Futures Bureau.

Note 3: Limit on loans granted by the Company to a single party is 20% of the Company's net assets based on the latest audited or reviewed financial statements, and limit on total loans is 40% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 4: Limit on loans granted by subsidiaries to a single party is 40% of the subsidiaries' net assets based on the latest audited or reviewed financial statements, and limit on total loans is 40% of the subsidiaries' net assets based on the latest audited or reviewed financial statements.

Note 5: Limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is the lender's net assets based on the latest audited or reviewed financial statements, and limit on total loans is the lender's net assets based on the latest audited or reviewed financial statements.

Note 6: The calculation and amount on ceiling of loans of Vivotek Inc. are as follows:

(1) The ceiling on total amount of loans to others shall not exceed 20% of the subsidiary's net assets value in the latest financial statements which were audited or reviewed by independent auditors.

(2) For the short-term financing, the limit on loans granted to a single party shall not exceed the subsidiary's paid-in capital and 10% of the subsidiary's net assets value in the latest financial statements which were audited or reviewed by independent auditors.

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Six months ended June 30, 2020

Table 2

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at June 30, 2020	Outstanding endorsement / guarantee amount at June 30, 2020	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	2	\$ 2,660,971	\$ 133,335	\$ 133,335	\$133,335	\$ -	0.10%	\$ 6,652,428	Y	N	N	Note 3

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 40% of the Company's net assets based on the latest audited or reviewed financial statements, limit on endorsements to a single company is 20% of the Company's net assets based on the latest audited or reviewed financial statements. Limit on total endorsements granted by the Company and subsidiaries is 50% of the Company's net assets based on the latest audited or reviewed financial statements, limit on total endorsements to a single party is 30% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 3: In accordance with Eltek's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 5% of the Company's net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 2% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$133,048,562 thousand (2020/6/30).

Note 5: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2020

Table 3

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at June 30, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income	72,353,851	\$ 473,194	2.71	\$ 473,194	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	419,358	5.72	419,358	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	-	190,721	-	190,721	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	2,001,000	280,140	1.21	280,140	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,441,000	234,883	1.10	234,883	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	547,043	157,275	0.19	157,275	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	141,008	7.72	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	115,000	1.45	115,000	
Delta Electronics Capital Company	Hz0, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,656,627	-	1,656,627	
Delta International Holding Limited	Mentis Technology, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	46,875	88,890	9.38	88,890	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, INC. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,838,235	148,150	10.46	148,150	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through profit or loss - non-current	141,065	118,520	19.90	118,520	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at June 30, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	\$ 54,280	-	\$ 54,280	
Unicom System Eng. Corp.	Digi-Hua System Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	332,556	3,273	3.32	3,273	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	34,162	19.79	34,162	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	5,185	17.52	5,185	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	31,407	15.00	31,407	

Table 3-2

Delta Electronics, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Six months ended June 30, 2020
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2020		Addition		Disposal			Balance as at June 30, 2020		Footnote	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares		Amount
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	Financial assets at fair value through other comprehensive income	Stock Exchange Market	None	122,980,851	\$ 942,033	-	\$ -	50,627,000	\$ 321,374	\$ 1,223,871	(\$ 902,497) (Note)	72,353,851	\$ 473,194	

Note: It was retained earnings transferred from other equity.

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Six months ended June 30, 2020

Table 5

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 532,929	10.44	70 days			\$ 426,141	13.74	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,823,490	74.81	70 days			2,162,743	69.74	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	777,052	8.01	70 days			546,366	9.48	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,668,377	89.45	70 days			5,083,233	88.19	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	103,696	0.57	70 days			75,436	1.28	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	3,301,987	18.59	70 days			2,327,186	39.52	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	177,854	0.99	70 days			90,771	1.55	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	14,011,732	78.94	70 days			3,320,496	56.39	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	5,901,453	42.07	70 days			4,148,866	71.81	

Table 5-1

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 7,941,710	56.56	70 days			\$ 1,503,513	26.02	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	352,648	23.88	70 days			262,299	68.38	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,103,154	74.38	70 days			100,115	26.10	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	106,850	0.76	70 days			91,239	0.88	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	7,083,148	50.36	70 days			5,205,358	50.22	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	904,815	6.42	70 days			597,409	5.76	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	406,630	2.88	70 days			217,435	2.10	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,760,344	99.67	70 days			2,555,731	99.41	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,594,395	97.52	70 days			1,706,716	97.08	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	317,504	13.50	70 days			169,008	14.54	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	2,035,556	86.52	70 days			993,320	85.46	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	822,456	69.86	70 days			394,999	70.36	

Table 5-2

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 136,762	11.58	70 days			\$ 68,703	12.24	
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	212,858	18.04	70 days			94,002	16.75	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	805,640	30.08	Note 1	Note 1	Note 1	289,443	35.99	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,088,226	99.98	Note 2	Note 2	Note 2	2,442,006	99.99	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,028,430	89.92	70 days			43,401	36.04	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	514,395	21.39	70 days			170,074	22.60	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	254,186	9.57	70 days			39,630	3.78	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	312,494	11.76	70 days			361,653	34.55	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	297,137	12.30	70 days			103,060	7.93	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	300,961	12.60	70 days			150,279	11.56	
ELTEK AS	Eltek Power (UK) Ltd.	Affiliated enterprise	Operating revenue	201,769	8.35	70 days			96,255	7.40	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	111,440	4.70	70 days			61,788	4.76	

Table 5-3

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	\$ 265,000	11.03	70 days			\$ 106,237	8.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Operating revenue	138,168	0.14	90 days after delivery			203,055	0.40	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	564,847	0.55	70 days			294,089	0.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	3,212,244	3.25	70 days			1,728,911	3.42	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	6,156,561	6.26	70 days			3,279,111	6.48	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	7,274,365	7.41	70 days			1,071,694	2.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	6,426,375	6.55	70 days			1,278,639	2.52	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	827,248	0.83	70 days			100,552	0.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	4,058,695	4.10	70 days			1,809,770	3.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	2,622,033	2.66	70 days			753,611	1.48	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	1,501,074	1.50	70 days			935,530	1.85	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co. Ltd.	Affiliated enterprise	Operating revenue	134,366	0.14	70 days			53,661	0.11	

Table 5-4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 607,644	0.61	70 days			\$ 315,935	0.63	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	291,413	0.34	70 days			199,468	0.39	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	108,986	0.09	70 days			102,411	0.20	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	716,666	0.73	90 days after delivery			353,150	0.70	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	1,053,647	1.05	70 days			626,993	1.24	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	148,810	0.14	70 days			92,785	0.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	1,443,053	1.47	70 days			818,151	1.62	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	429,673	0.43	70 days			195,324	0.39	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	245,757	0.24	70 days			138,107	0.27	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	543,379	0.54	70 days			295,611	0.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	6,897,907	6.99	70 days			6,471,995	12.80	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	8,625,754	8.75	90 days after delivery			6,170,872	12.21	

Table 5-5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	\$ 1,057,609	1.07	70 days			\$ 436,176	0.86	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	966,681	0.98	70 days			815,287	1.61	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	203,651	12.58	70 days			109,472	13.01	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	874,895	53.97	70 days			444,578	52.82	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	523,977	32.38	70 days			283,676	33.70	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	875,655	98.21	70 days			194,418	87.67	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	119,913	0.54	70 days			69,545	0.60	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	221,238	0.99	70 days			163,271	1.40	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	8,884,346	39.61	90 days after delivery			5,441,366	46.61	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,350,187	6.04	70 days			616,508	5.28	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	173,202	0.77	70 days			116,947	1.00	
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	230,463	0.99	70 days			26,034	0.28	

Table 5-6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	\$ 142,636	0.61	70 days			\$ 58,426	0.62	
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	7,014,167	30.12	70 days			2,071,916	21.78	
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	716,332	3.07	70 days			302,622	3.18	
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	3,690,561	15.86	90 days after delivery			1,921,656	20.20	
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	328,988	1.41	70 days			129,294	1.36	
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	166,409	0.71	70 days			120,079	1.26	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	704,337	15.30	70 days			6,029	0.48	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	206,805	4.50	70 days			28,880	2.30	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	236,076	9.13	90 days	Note 3	Note 3	131,271	20.57	

Note 1: Sales revenue is cost plus handling charges and necessary processing costs. The collection term for related parties is 75 days from next month, and to third parties is 30~120 days after monthly billings.

Note 2: Sales revenue is cost plus necessary profit, and the collection term for related parties is 75 days from next month.

Note 3: Vivotek Inc. determined the prices and terms of goods sold to Vivotek USA, Inc. based on the economic conditions and market competitiveness of the sales area, and there is no comparable prices and terms available for the goods sold to third parties.

Table 5-7

Delta Electronics, Inc. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
June 30, 2020

Table 6

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 426,141	2.92	\$ -		\$ 122,566	\$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,162,743	4.08	-		386,107	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	546,366	2.78	-		177,661	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,083,233	4.46	-		1,039,857	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	2,327,186	3.26	-		813,593	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,320,496	8.61	105		448,295	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,148,866	3.28	-		1,435,018	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,503,513	9.72	450		149,602	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	262,299	1.70	-		93,246	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	100,115	13.65	-		-	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	5,205,358	3.07	-		1,758,490	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	597,409	3.13	-		181,523	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	217,435	3.15	-		-	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,555,731	4.12	-		533,696	-

Table 6-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 1,706,716	3.97	\$ -		\$ 652,805	\$ -
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	169,008	3.82	-		-	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	993,320	4.62	-		459,543	-
Chenzhou Delta Technology Co. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	394,999	4.35	-		206,855	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	138,357	11.92	-		138,357	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	289,443	4.47	-		697	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,442,006	4.36	-		1,039	-
Digital Projection Ltd.	Digital Projection Inc.	Affiliated enterprise	588,316	0.06	561,145		665	-
Delta Electronics (Japan) Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	170,074	6.05	-		-	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	361,653	2.08	52,357		4,374	-
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	103,060	6.24	-		42,151	-
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	154,578	0.67	109,859		33,358	-
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	150,279	3.52	-		66,893	-
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	106,237	5.56	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	203,055	1.43	90,324		4,547	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	294,089	3.36	-		69,438	-

Table 6-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	\$ 1,728,911	4.69	\$ -		\$ 296,300	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	3,279,111	4.82	846,588		533,340	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,071,694	11.57	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	1,278,639	10.18	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	100,552	9.64	-		11,885	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	1,809,770	5.20	-		444,450	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	753,611	5.39	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	935,530	3.70	327,146		385,189	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	315,935	4.20	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	199,468	3.95	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	102,411	2.31	-		10,294	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	353,150	4.01	-		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	626,993	3.47	-		130,190	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Affiliated enterprise	115,852	0.15	111,598		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	818,151	4.01	-		120,317	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	195,324	4.56	-		39,542	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	138,107	4.71	-		-	-

Table 6-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	\$ 295,611	4.43	\$ 18,727		\$ 76,425	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	6,634,563	2.01	-		101,819	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	6,170,872	2.75	-		478,159	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	436,176	3.76	-		10,186	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	815,287	3.09	4,691		-	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	109,472	3.20	-		1,347	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	444,578	3.98	-		121,944	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	283,676	3.29	-		84,885	-
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	194,418	11.72	3,063		194,418	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	163,271	4.10	-		7,064	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	5,441,366	3.50	184,785		409,471	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	616,508	6.74	-		-	-
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	116,947	3.36	-		-	-
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	2,414,701	7.40	64,095		2,124,423	-
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	302,622	5.62	51,973		320	-
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	1,921,656	3.41	-		272,367	-
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	129,294	5.52	3,063		249	-

Table 6-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	\$ 120,079	3.64	\$ -		\$ -	\$ -
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	14,706,541	-	-		14,706,541	-
Delta International Holding Limited	Drake Investment (HK) Limited	Affiliated enterprise	979,026	-	-		979,026	-
Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	7,921,209	-	-		5,874,155	-
Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	13,943,701	-	-		13,941,061	-
Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	2,373,396	-	-		-	-
Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	860,356	-	-		-	-
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	1,481,500	-	-		-	-
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	171,931	-	-		167,085	-
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	412,548	-	-		-	-
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,986,037	-	-		-	-
Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	10,086,933	-	-		10,086,933	-
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	8,054,712	-	-		8,642	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,465,660	-	-		-	-
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	238,368	-	-		-	-
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	131,271	3.33	-		-	-

Note 1: Including other receivables in excess of \$100,000.

Note 2: The amount represents collections subsequent to June 30, 2020 up to July 29, 2020.

Table 6-5

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Six months ended June 30, 2020

Table 7

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	\$ 7,014,167	(Note 4)	5.55
0	Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	3,690,561	(Note 5)	2.92
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,823,490	(Note 4)	3.03
2	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,668,377	(Note 4)	6.86
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	3,301,987	(Note 4)	2.61
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	14,011,732	(Note 4)	11.09
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	5,901,453	(Note 4)	4.67
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,941,710	(Note 4)	6.28
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	7,083,148	(Note 4)	5.60
6	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,760,344	(Note 4)	3.77
7	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,594,395	(Note 4)	2.84
8	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	2,035,556	(Note 4)	1.61
9	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,088,226	(Note 7)	4.82
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	3,212,244	(Note 4)	2.54

Table 7-1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 6,156,561	(Note 4)	4.87
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	7,274,365	(Note 4)	5.76
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	6,426,375	(Note 4)	5.09
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	4,058,695	(Note 4)	3.21
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	2,622,033	(Note 4)	2.07
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	1,501,074	(Note 4)	1.19
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	1,443,053	(Note 4)	1.14
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	6,897,907	(Note 4)	5.46
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	8,625,754	(Note 5)	6.83
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	8,884,346	(Note 5)	7.03
11	Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,350,187	(Note 4)	1.07
2	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,083,233	(Note 4)	1.59
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,320,496	(Note 4)	1.04
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,148,866	(Note 4)	1.30
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,205,358	(Note 4)	1.63
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	3,279,111	(Note 4)	1.02
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable	6,634,563	(Note 4)	2.07

Table 7-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	\$ 6,170,872	(Note 4)	1.93
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	5,441,366	(Note 4)	1.70
12	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	14,706,541	(Note 6)	4.59
12	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	7,921,209	(Note 6)	2.47
12	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	13,943,701	(Note 6)	4.35
13	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	10,086,933	(Note 6)	3.15
13	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	8,054,712	(Note 6)	2.52

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: There is no similar transaction to compare with. It will follow the agreed price and transaction terms and all the credit terms are 70 days.

Note 5: It will follow the agreed price and transaction terms, and all the credit terms are 90 days after delivery.

Note 6: Lending of capital and others.

Note 7: Sales revenue is cost plus necessary profit, the collection term for related parties is 75 days from next month.

Note 8: The disclosure requirement for the above disclosed amounts is 1% of the consolidated total assets for balance sheet accounts and 1% of the consolidated total revenue for income statement accounts.

Delta Electronics, Inc. and Subsidiaries
Information on investees
Six months ended June 30, 2020

Table 8

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2020			Net profit (loss) of the investee for the six months ended June 30, 2020	Investment income (loss) recognised by the Company for the six months ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Cayman Islands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 70,288,070	\$ 401,283	\$ 381,817	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	5,537,071	24,128	54,844	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	12,663,280	2,818,926	2,653,589	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,420,275	2,699,790	27,745	(Notes 6 and 13)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	33,933,230	461,951	427,435	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	200,143	3,346	2,715	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,679,074	(156,779)	(156,779)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	1,500,000	100.00	29,586,321	6,244,585	6,289,889	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	162,376	5,250,000	39.62	-	134	54	(Note 14)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,728,057	(41,851)	(41,839)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	346,516	342,535	71,616	(Notes 6 and 9)
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system (software and hardware)	341,695	341,695	570,000	100.00	459,669	15,834	7,153	(Note 6)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,039,937	4,039,937	43,404,058	49.87	3,931,284	134,114	15,003	(Note 6)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,763,929	12,763,929	191,984,450	15.39	12,397,067	2,699,790	297,676	(Note 13)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2020			Net profit (loss) of the investee for the six months ended June 30, 2020	Investment income (loss) recognised by the Company for the six months ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	\$ 29,630	\$ 29,630	1,000,000	100.00	\$ 234,216	\$ 7,503	\$ 7,503	(Note 1)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	84,711	84,711	5,600	100.00	675,896	96,465	96,465	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	418,567	345,785	46,949,667	100.00	(444,064)	(65,366)	(72,013)	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	44,445	44,445	9,000,000	100.00	116,177	3,588	3,588	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	237,040	8,000,000	60.38	-	134	81	(Notes 1 and 14)
Delta International Holding Limited	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	227,096	227,096	5,100	51.00	390,543	73,214	35,762	(Note 1)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	2,023,430	2,023,430	1,060,624	100.00	2,040,877	158,921	157,779	(Note 1)
Delta International Holding Limited	Eltek AS	Norway	Research, development and sales of power supplies and others	14,731,072	14,731,072	93,531,101	100.00	12,273,354	258,169	(121,070)	(Note 1)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide resolution of building management and control	2,222,250	2,222,250	75,000,000	100.00	2,627,463	(1,778)	(1,778)	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	108,446	108,446	500,000	100.00	54,932	998	998	(Note 1)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	179,261	179,261	2,314,592	100.00	123,465	12,734	12,734	(Note 2)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	-	144,039	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	-	671,783	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,730,406	9,730,406	2,549,297,600	100.00	19,169,661	2,405,534	2,405,534	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,581,392	2,581,392	1	100.00	1,976,037	118,025	56,304	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	5,099,807	5,099,807	304,504,306	100.00	4,594,123	297,424	211,882	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,529,840	1,529,840	18,374,182	89.74	2,512,909	342,535	306,951	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,096,310	1,096,310	5,190,330	29.50	782,708	(170,062)	(50,151)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	114,372	114,372	479,751	51.00	23,675	(35,574)	(16,397)	(Note 8)

Table 8-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2020			Net profit (loss) of the investee for the six months ended June 30, 2020	Investment income (loss) recognised by the Company for the six months ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	\$ 210,669	\$ 210,669	4,315,657	100.00	\$ 90,327	(\$ 40,457)	(\$ 40,457)	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	328,415	328,415	37,000,000	100.00	186,903	2,218	2,218	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,895,881	2,979,980	-	100.00	2,902,266	(23,234)	(65,414)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	827,585	827,585	12,175,470	100.00	650,348	38,759	20,083	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	223,833	223,833	250,000	100.00	1,499,179	328,651	328,651	(Note 16)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	67,260	67,260	-	100.00	49,376	(9,112)	(9,112)	(Note 16)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	35,450,868	35,450,868	534,479,306	42.85	35,580,652	2,699,790	828,811	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	22,321	22,321	11,400,000	100.00	17,402	(6,861)	(6,861)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	245,161	2,769	2,769	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(20,249)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	61,196	61,196	300,000	100.00	(67,274)	(7,006)	(7,006)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Consulting service of building management and control solutions	2,404,754	2,404,754	-	100.00	2,427,640	23,952	(4,176)	(Note 7)
Loy Tec Electronics GmbH	LOYTEC Americas, Inc.	U.S.A.	Consulting service of building management and control solutions	296	296	9,978	100.00	357	169	169	(Note 17)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	5,269,961	5,269,961	1,196,886,000	100.00	2,233,593	16,533	16,270	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	1,037,050	1,037,050	35,000,000	100.00	2,209,604	17,043	17,043	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	156,718	-	40,526,221	100.00	(62,740)	(65,366)	(65,366)	(Note 19)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,800,357	343,860	343,860	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	179,161	179,161	8,702,934	56.40	161,103	3,005	(3,065)	(Note 5)

Table 8-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2020			Net profit (loss) of the investee for the six months ended June 30, 2020	Investment income (loss) recognised by the Company for the six months ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	\$ 9,114,236	\$ 9,114,236	264,357,330	100.00	\$ 7,023,586	(\$ 323,584)	(\$ 323,584)	(Note 18)
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars changer and data center	198,687	198,687	20,600,000	100.00	112,029	5,084	5,084	(Note 18)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,376,007	5,376,007	146,586,590	100.00	9,221,958	(32,945)	(32,945)	(Note 18)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	20,243,849	50.53	(19,232)	(42,625)	(20,640)	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	247,594	35,524	35,524	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	100,395	9,164	8,091	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	10,342	429	429	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	32,603	25,375	25,375	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	28,707	4,293	4,293	(Note 11)
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	29,630	29,630	10,000,000	100.00	315,395	35,526	35,526	(Note 10)
Realwin Investment Inc.	Skywatch INC.	Taiwan	Wholesale of electronic equipment	755	6,211	50,070	1.66	-	(4,173)	-	(Note 15)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	48,473	1,135	1,135	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	39,012	5,200	2,923	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	(10,391)	1,129	1,016	(Note 12)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	1,273	(2,759)	(1,407)	(Note 12)

Table 8-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2020			Net profit (loss) of the investee for the six months ended June 30, 2020	Investment income (loss) recognised by the Company for the six months ended June 30, 2020	Footnote
				Balance as at June 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	\$ 31,123	\$ 31,123	1,556,142	3.88	\$ 231	(\$ 42,625)	(\$ 1,656)	(Note 12)

Note 1: The Company's second-tier subsidiary or subsidiary's investee accounted for under equity method, which was recognised as investment gains/losses through Delta International Holding Limited.

Note 2: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (H.K.) Ltd.

Note 3: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Networks Holding Limited.

Note 4: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Networks, Inc.

Note 5: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Cynotec Co., Ltd.

Note 6: The investment income /loss is net of the elimination of intercompany transactions.

Note 7: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics Int'l (Singapore) Pte. Ltd.

Note 8: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Netherlands) B.V.

Note 9: The Company indirectly acquired 89.74% equity shares of Delta America Ltd. through Delta Electronics (Netherlands) B.V.. Considering the 10.26% equity shares held by the Company, the total ownership was 100%.

Note 10: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Vivotek Holdings, Inc.

Note 11: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Vivotek Inc.

Note 12: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Realwin Investment Inc.

Note 13: The Company indirectly acquired 15.39% and 42.85% equity shares of Delta Electronics (Thailand) Public Company Limited through Delta International Holding Limited and Delta Electronics Int'l (Singapore) Pte. Ltd., respectively, considering 5.54% equity shares held by the Company, the total ownership was 63.78%.

Note 14: The Company indirectly acquired 60.38% equity shares of PreOptix (Hong Kong) Co., Ltd. through Delta International Holding Limited. Considering the 39.62% equity shares held by the Company, the total ownership was 100%. In the first half of 2020, PreOptix (Hong Kong) Co., Ltd. returned capital amounting to USD 5,250,000 and USD 8,000,000 to the Company and Delta International Holding Limited, respectively, which is yet to be completed as at June 30, 2020.

Note 15: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company.

Note 16: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta America Ltd.

Note 17: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Loy Tec Electronics GmbH.

Note 18: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Thailand) Public Company Limited.

Note 19: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Digital Projection International Ltd.

Note 20: This company had been liquidated in February 2020.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Six months ended June 30, 2020

Table 9

Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2020	Net income (loss) of investee for the six months ended June 30, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2020 (Note 23)	Book value of investments in Mainland China as at June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 2,898,110	Invested by DHK	\$ 2,281,337	\$ -	\$ -	\$ 2,281,337	\$ 202,966	100.00	\$ 202,205	\$ 3,921,070	\$ 286,226	(Notes 3 and 18)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,247,423	Invested by DHK	701,846	-	-	701,846	106,717	100.00	106,254	2,764,575	398,108	(Notes 6 and 18)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,321,479	Invested by DHK	463,516	-	-	463,516	1,121,628	100.00	1,121,438	7,081,912	-	(Notes 9 and 18)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,970,420	Invested by DHK	507,006	-	-	507,006	184,968	100.00	182,998	4,482,539	-	(Notes 10 and 18)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,866,690	Invested by DHK	126,665	-	-	126,665	48,695	100.00	49,367	1,897,601	-	(Notes 11 and 18)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	1,185,200	Invested by DHK	4,154,088	-	-	4,154,088	293,709	100.00	294,846	2,856,723	-	(Note 18)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	3,490,710	Invested by DHK	6,804,789	-	-	6,804,789	590,305	100.00	589,540	7,342,929	52,275	(Notes 7 and 18)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	859,270	Invested by DHK	1,412,024	-	-	1,412,024	(8,802)	100.00	(9,021)	1,204,698	-	Notes 8 and 18)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	134,224	Invested by DHK	980,313	-	-	980,313	(19,973)	100.00	(19,973)	(37,125)	-	(Notes 12 and 18)
Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy	219,262	Invested by DHK	1,123,268	-	-	1,123,268	(13,644)	100.00	(13,640)	151,885	-	(Note 18)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	125,628	Invested by DHK	153,919	-	-	153,919	13,084	100.00	13,084	180,867	-	(Note 18)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2020	Net income (loss) of investee for the six months ended June 30, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2020 (Note 23)	Book value of investments in Mainland China as at June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	\$ 209,380	Invested by DHK	\$ 13,551	\$ -	\$ -	\$ 13,551	\$ 2,612	100.00	\$ 2,612	\$ 152,198	\$ -	(Notes 13 and 18)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	230,318	Invested by DHK	250,624	-	-	250,624	(6,728)	100.00	(6,728)	204,922	-	(Note 18)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	5,985,260	Invested by CHK	5,880,440	-	-	5,880,440	327,417	100.00	327,416	7,703,452	-	(Note 20)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	1,037,050	Invested by DNHK	1,324,649	-	-	1,324,649	21,160	100.00	21,160	2,007,332	651,860	(Notes 5 and 19)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	61,760	Invested by DNHK	20,741	-	-	20,741	(65,366)	30.00	(3,192)	12,796	-	(Note 19)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	118,520	Invested by DelBio	118,520	-	-	118,520	387	100.00	387	164,650	-	(Note 21)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	8,889	Invested by UNICOM	8,889	-	-	8,889	6,259	100.00	6,259	30,148	33,612	(Note 16)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	106,784	Invested by DCZ	-	-	-	-	20,548	100.00	20,368	203,468	-	(Note 14)
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	Invested by DPEC and DDG	-	-	-	-	15	-	15	-	-	(Notes 14 and 15)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	41,876	Invested by DPEC and DGC	-	-	-	-	(1,425)	96.32	(1,425)	30,611	-	(Note 14)

Table 9-2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2020	Net income (loss) of investee for the six months ended June 30, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2020 (Note 23)	Book value of investments in Mainland China as at June 30, 2020	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	\$ 419	Invested by DET-SH	\$ -	\$ -	\$ -	\$ -	\$ 279	96.32	\$ 279	\$ 8,325	\$ -	(Note 14)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	14,074	Invested by Amerlux Lighting Hong Kong Limited	174,013	4,433	-	178,446	4,469	100.00	4,469	24,319	-	(Note 22)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,378,557	Invested by Drake-HK, Boom and DGSG	9,061,229	-	-	9,061,229	520,857	95.91	499,559	5,804,481	-	(Notes 4 and 17)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	104,690	Invested by DPT	-	-	-	-	-	40.00	-	11,725	-	(Note 14)

Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 7.075652 to US\$1 and NTD 4.1876 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2020, remitted or collected this period, accumulated remittance as at June 30, 2020 and investment income remitted back as at June 30, 2020 was translated into New Taiwan Dollars at the average exchange rate of NTD 29.63 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$76,994 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 4: Except for the facility of US\$305,813 thousand permitted by Investment Commission, the capitalisation of earnings of US\$980 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$11,312 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 6: Except for the facility of US\$23,687 thousand permitted by Investment Commission, the capitalisation of earnings of US\$22,654 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 7: Except for the facility of US\$229,659 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,303 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 8: Except for the facility of US\$47,655 thousand permitted by Investment Commission, the capitalisation of earnings of US\$8,272 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 9: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 10: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 11: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 12: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 13: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 14: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.

Note 15: This company had been liquidated in January 2020.

Note 16: Invest through UNICOM SYSTEM ENG. CORP.

Note 17: Jointly invested through Drake Investment (HK) Limited., DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 18: Invest through Delta Electronics (H.K.) Limited.

Note 19: Invest through Delta Networks (H.K.) Ltd.

Note 20: Invest through CYNTEC HOLDING (HK) LIMITED.

Note 21: Invest through DelBio Inc.

Note 22: Invest through Amerlux Lighting Hong Kong Limited.

Note 23: Except for Delta Green (Tianjin) Industries Co., Ltd., Delta Electronics (Pingtan) Co., Ltd., Delta Energy Technology (Dongguan) Co., Ltd., Delta Energy Technology (Shanghai) Co., Ltd., DelBio (Wujiang) Co., Ltd., Eltek Energy Technology (Dongguan) Ltd., Delta Energy Technology Puhuan (Shanghai) Co., Ltd., Delta Electronics (Beijing) Co., Ltd., Delta Electronics (Xi'an) Co., Ltd., Unicom (Nanjing) System Eng. Corp., Guangzhou Amerlux Lighting Co., Ltd., Delta Networks (Xiamen) Ltd., and Fujian Kaixin Construction Engineering Co., Ltd. whose investment income (loss) was recognised based on recognised gain or loss on investment based on financial statement prepared by each company, others were recognised.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at June 30, 2020	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 28,732,378	\$ 29,374,535	\$ -
Cyntec Co., Ltd.	5,880,440	5,880,440	16,631,619
DelBio Inc. (Note 4)	118,520	118,520	121,047
UNICOM SYSTEM ENG. CORP. (Notes 5 and 6)	-	-	80,000

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD 29.63 to US\$1 at the balance sheet date.

Note 2: The investment income of US\$22,000 thousand, US\$18,000 thousand, US\$10,509 thousand and US\$14,351 thousand were remitted back on March 11, 2011, June 27, 2012, August 14, 2012, June 24, 2009 and December 29, 2005, respectively, from the investee companies in Mainland China and was permitted by Investment Commission on August 3, 2012, August 28, 2012, July 17, 2009 and January 6, 2006, respectively, which are deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

Note 3: According to "Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China", the Company obtained the approval of operation headquarters from Industrial Development Bureau of Ministry of Economic Affairs. There is no ceiling of investment amount.

Note 4: The ceiling is calculated based on DelBio Inc.'s 60% of net assets as at June 30, 2020.

Note 5: The limitation pursuant to the regulations is NT \$80 million or 60% of net value or consolidated net assets, whichever is higher.

Note 6: The investment income of US\$1,134 thousand were remitted back on October 17, 2019 from the investee companies in Mainland China and was permitted by Investment Commission on November 12, 2019, which are deductible from the Company's accumulated amount remitted out of Taiwan to Mainland China.

The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Limited. - Labuan (CIL-Labuan) for the six months ended June 30, 2020 are shown in Table 5 and 6.

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
June 30, 2020

Table 10

Name of major shareholders	Shares	No. of shares held	Ownership (%)
DEICO INTERNATIONAL LTD.		267,556,280	10.30%
DELTRON HOLDING LTD.		218,211,168	8.40%