

**DELTA ELECTRONICS, INC.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2020 AND 2019**

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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.

## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Delta Electronics, Inc. (the "Company") as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2020 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 parent company only financial statements are stated as follows:

### **Assessment of the reasonableness of the purchase price allocation for business combination**

#### Description

In June 2019, the subsidiary of the Company acquired 100% of Amerlux, LLC. Such business acquisition was recognized as investment accounted for under the equity method in the balance sheet. The allocation of the acquisition price was completed in the second quarter of 2020.

As the net fair value of identifiable assets and liabilities and the allocation of goodwill are based on management's estimation and involve accounting estimations and assumptions, we consider this equity price allocation transaction a key audit matter.

#### How our audit addressed the matter

We obtained an understanding of the basis and process of the purchase price allocation which was estimated by management. We reviewed the reasonableness of the fair value assessment for assets acquired and liabilities assumed, projected cash flow, and the fair value calculation model as indicated in the purchase price allocation reports prepared by the appraisers appointed by the Company. Our procedures also included the following:

- A. Assessing the setting of parameters of valuation models and calculation formulas;
- B. Comparing expected growth rates and operating margin with historical data, economic and industry forecasts; and
- C. Comparing the discount rate with the cost of capital assumptions of cash generating units and rate of return of similar assets.

### **Impairment assessment of investments accounted for under equity method**

#### Description

As at December 31, 2020, the recognised goodwill as a result of the investments in Cyntec Co., Ltd., Eltek AS, Delta Controls Inc., Loy Tec electronics GmbH, Delta Greentech (China) Co., Ltd. and Amerlux, LLC is material. Refer to Note 5 for accounting estimates of impairment assessment of investments accounted for under the equity method and the uncertainty of assumptions.

As the balance of investments accounted for under equity method is material, the valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves the significant accounting estimates and prediction of future cash flows. Thus, we consider the impairment assessment of investments accounted for under equity method a key audit matter.

How our audit addressed the matter

We obtained management's impairment assessment of investments accounted for under the equity method, obtained an understanding of the process in determining the expected future cash flows based on each cash generating unit, and performed the following audit procedures:

- A. Assessed whether the valuation models adopted by the Company are reasonable for the industry, environment and the valued assets of the Company;
- B. Confirmed whether the expected future cash flows adopted in the valuation model are in agreement with the budget provided by the business units; and
- C. Assessed the reasonableness of material assumptions, such as expected growth rates, operating margin and discount rates, by:
  - (a) Checking the setting of parameters of valuation models and calculation formulas;
  - (b) Comparing the expected growth rate and operating margin with historical data, economic and industrial forecast documents; and
  - (c) Comparing the discount rate with cost of capital assumptions of cash generating units and rates of return of similar assets.

***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of certain investments accounted for under the equity method and information on investees disclosed in Note 13. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. These investments accounted for under the equity method amounted to NT\$26,749,245 thousand and NT\$24,269,195 thousand, constituting 11.87% and 12.03% of total assets as at December 31, 2020 and 2019, respectively, and the share of profit of associates and joint ventures accounted for under the equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method was NT\$4,491,467 thousand and NT\$1,677,887 thousand, constituting 24.03% and 7.57% of total comprehensive income for the years

then ended, respectively.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The parent company only financial statements of Delta Electronics, Inc. as at and for the year ended December 31, 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 \$28.095 to US\$1.00 at December 31, 2020. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Lin, Yu-Kuan      Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2021

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The accompanying parent company only 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 audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report 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, Taiwan 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.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2019
<b>Current assets</b>				
Cash and cash equivalents	6(1)	\$ 54,324	\$ 1,526,220	\$ 645,136
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	319,823
Contract assets - current	6(16)	82,659	2,322,301	735,763
Notes receivable, net	6(4)	1,215	34,132	63,493
Accounts receivable, net	6(4)	242,627	6,816,593	4,447,348
Accounts receivable - related parties	7	261,374	7,343,305	4,959,305
Other receivables		2,523	70,900	97,967
Other receivables - related parties	7	22,102	620,947	456,383
Inventories	6(5)	157,167	4,415,599	3,578,871
Prepayments		29,568	830,709	1,070,916
Other current assets	8	4,454	125,165	170,407
<b>Total current assets</b>		<u>858,013</u>	<u>24,105,871</u>	<u>16,545,412</u>
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss - non-current	6(2)	33,724	947,464	43,198
Financial assets at fair value through other comprehensive income - non-current	6(3)	49,980	1,404,189	1,259,966
Contract assets - non-current	6(16)	23,845	669,926	-
Investments accounted for under the equity method	6(6)	6,115,810	171,823,674	161,276,288
Property, plant and equipment	6(7)	825,815	23,201,266	19,793,789
Right-of-use assets	6(8)	17,348	487,399	525,718
Intangible assets	6(9)	47,650	1,338,725	1,008,581
Deferred income tax assets	6(23)	24,068	676,203	582,385
Other non-current assets	6(4)(10) and 8	23,856	670,244	768,814
<b>Total non-current assets</b>		<u>7,162,096</u>	<u>201,219,090</u>	<u>185,258,739</u>
<b>Total assets</b>		<u>\$ 8,020,109</u>	<u>\$ 225,324,961</u>	<u>\$ 201,804,151</u>

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DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2019
<b>Current liabilities</b>				
Contract liabilities - current	6(16)	\$ 85,235	\$ 2,394,670	\$ 464,306
Accounts payable		103,895	2,918,923	2,409,962
Accounts payable - related parties	7	308,651	8,671,549	7,725,925
Other payables		419,837	11,795,315	10,564,812
Other payables - related parties	7	6,693	188,041	288,794
Current income tax liabilities		30,256	850,053	519,822
Other current liabilities		15,904	446,817	615,625
<b>Total current liabilities</b>		<u>970,471</u>	<u>27,265,368</u>	<u>22,589,246</u>
<b>Non-current liabilities</b>				
Contract liabilities - non-current	6(16)	13,303	373,758	-
Long-term borrowings	6(11)	1,374,566	38,618,445	26,995,000
Deferred income tax liabilities	6(23)	383,158	10,764,819	9,481,142
Lease liabilities - non-current		15,225	427,745	457,795
Other non-current liabilities	6(12)	70,315	1,975,488	2,124,091
<b>Total non-current liabilities</b>		<u>1,856,567</u>	<u>52,160,255</u>	<u>39,058,028</u>
<b>Total liabilities</b>		<u>2,827,038</u>	<u>79,425,623</u>	<u>61,647,274</u>
Equity				
Share capital				
Common stock	6(13)	924,557	25,975,433	25,975,433
Capital surplus				
Capital surplus	6(14)	1,751,290	49,202,505	49,103,331
Retained earnings				
Legal reserve	6(15)	973,217	27,342,534	25,030,754
Special reserve		271,295	7,622,034	7,561,032
Unappropriated retained earnings		1,719,169	48,300,040	40,108,361
Other equity interest				
Other equity interest		( 446,457)	( 12,543,208)	( 7,622,034)
<b>Total equity</b>		<u>5,193,071</u>	<u>145,899,338</u>	<u>140,156,877</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
<b>Total liabilities and equity</b>		<u>\$ 8,020,109</u>	<u>\$ 225,324,961</u>	<u>\$ 201,804,151</u>

The accompanying notes are an integral part of these parent company only financial statements.

**DELTA ELECTRONICS, INC.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
Operating revenue	6(16) and 7	\$ 2,070,978	\$ 58,184,137	\$ 47,945,673	
Operating costs	6(5)(21) (22)and 7	( 1,289,762)	( 36,235,864)	( 31,595,117)	
Gross Profit		<u>781,216</u>	<u>21,948,273</u>	<u>16,350,556</u>	
Operating expenses	6(21)(22)				
Selling expenses		( 39,242)	( 1,102,518)	( 1,109,232)	
General and administrative expenses		( 97,422)	( 2,737,068)	( 2,706,854)	
Research and development expenses		( 442,058)	( 12,419,620)	( 10,910,222)	
Expected credit impairment loss	12(2)	( 597)	( 16,770)	( 14,602)	
Total operating expenses		<u>( 579,319)</u>	<u>( 16,275,976)</u>	<u>( 14,740,910)</u>	
Operating profit		<u>201,897</u>	<u>5,672,297</u>	<u>1,609,646</u>	
Non-operating income and expenses					
Interest income	6(17)	241	6,772	17,125	
Other income	6(18)	35,911	1,008,901	891,711	
Other gains and losses	6(19)	( 3,425)	( 96,221)	2,054,748	
Finance costs	6(20)	( 6,610)	( 185,695)	( 132,833)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	788,213	22,144,854	20,755,540	
Total non-operating income and expenses		<u>814,330</u>	<u>22,878,611</u>	<u>23,586,291</u>	
<b>Profit before income tax</b>		<u>1,016,227</u>	<u>28,550,908</u>	<u>25,195,937</u>	
Income tax expense	6(23)	( 109,118)	( 3,065,677)	( 2,078,140)	
<b>Profit for the year</b>		<u>\$ 907,109</u>	<u>\$ 25,485,231</u>	<u>\$ 23,117,797</u>	
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
Gain (loss) on remeasurements of defined benefit plans	6(12)	(\$ 2,463)	(\$ 69,191)	(\$ 30,435)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	11,613	326,268	185,277	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		( 2,298)	( 64,561)	( 216,636)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	493	13,838	6,088	
Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>7,345</u>	<u>206,354</u>	<u>( 55,706)</u>	
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
Financial statements translation differences of foreign operations		( 295,037)	( 8,289,061)	( 2,861,873)	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		28,876	811,276	2,492,140	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(23)	16,948	476,157	( 527,130)	
Other comprehensive income (loss) that will be reclassified to profit or loss		<u>( 249,213)</u>	<u>( 7,001,628)</u>	<u>( 896,863)</u>	
<b>Other comprehensive income (loss) for the year</b>		<u>(\$ 241,868)</u>	<u>(\$ 6,795,274)</u>	<u>(\$ 952,569)</u>	
<b>Total comprehensive income for the year</b>		<u>\$ 665,241</u>	<u>\$ 18,689,957</u>	<u>\$ 22,165,228</u>	
Earnings per share					
Basic earnings per share	6(24)	\$ 0.35	\$ 9.81	\$ 8.90	
Diluted earnings per share	6(24)	\$ 0.35	\$ 9.77	\$ 8.85	

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	Retained earnings				Other equity interest				Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) 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
Effects of retrospective application and retrospective restatement		-	-	-	-	1,943	-	-	-	1,943
Balance after retrospective restatement at January 1, 2019		<u>25,975,433</u>	<u>48,397,067</u>	<u>23,211,444</u>	<u>7,088,143</u>	<u>33,162,047</u>	<u>( 4,422,025)</u>	<u>( 3,270,159)</u>	<u>131,152</u>	<u>130,273,102</u>
Profit for the year		-	-	-	-	23,117,797	-	-	-	-
Other comprehensive income (loss) for the year		-	-	-	-	( 255,785)	( 912,967)	200,079	16,104	( 952,569)
Comprehensive income (loss) for the year		-	-	-	-	<u>22,862,012</u>	<u>( 912,967)</u>	<u>200,079</u>	<u>16,104</u>	<u>22,165,228</u>
Distribution of 2018 earnings	6(15)									
Legal reserve		-	-	1,819,310	-	( 1,819,310)	-	-	-	-
Special reserve		-	-	-	472,889	( 472,889)	-	-	-	-
Cash dividends		-	-	-	-	( 12,987,717)	-	-	-	( 12,987,717)
Changes in ownership interests in subsidiaries		-	34,941	-	-	-	-	-	-	34,941
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	671,323	-	-	-	-	-	-	671,323
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	( 635,782)	-	635,782	-	-
Balance at December 31, 2019		<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>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>
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231
Other comprehensive income (loss) for the year		-	-	-	-	( 119,914)	( 6,984,988)	326,268	( 16,640)	( 6,795,274)
Comprehensive income (loss) for the year		-	-	-	-	<u>25,365,317</u>	<u>( 6,984,988)</u>	<u>326,268</u>	<u>( 16,640)</u>	<u>18,689,957</u>
Distribution of 2019 earnings	6(15)									
Legal reserve		-	-	2,311,780	-	( 2,311,780)	-	-	-	-
Special reserve		-	-	-	61,002	( 61,002)	-	-	-	-
Cash dividends		-	-	-	-	( 12,987,717)	-	-	-	( 12,987,717)
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	( 96,705)	-	-	( 58,953)	-	-	-	( 155,658)
Disposal of equity investment at fair value through other comprehensive income	6(3)	-	-	-	-	( 1,754,186)	-	1,754,186	-	-
Balance at December 31, 2020		<u>\$ 25,975,433</u>	<u>\$ 49,202,505</u>	<u>\$ 27,342,534</u>	<u>\$ 7,622,034</u>	<u>\$ 48,300,040</u>	<u>(\$ 12,319,980)</u>	<u>(\$ 353,844)</u>	<u>\$ 130,616</u>	<u>\$ 145,899,338</u>

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DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	Retained earnings				Other equity interest				Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
<u>2020 US Dollars</u>										
Balance at January 1, 2020		\$ 924,557	\$ 1,747,760	\$ 890,933	\$ 269,124	\$ 1,427,598	(\$ 189,891 )	(\$ 86,645 )	\$ 5,241	\$ 4,988,677
Profit for the year		-	-	-	-	907,109	-	-	-	907,109
Other comprehensive income (loss) for the year		-	-	-	-	( 4,269 )	( 248,620 )	11,613	( 592 )	( 241,868 )
Comprehensive income (loss) for the year		-	-	-	-	902,840	( 248,620 )	11,613	( 592 )	665,241
Distribution of 2019 earnings	6(15)	-	-	82,284	-	( 82,284 )	-	-	-	-
Legal reserve		-	-	82,284	-	( 82,284 )	-	-	-	-
Special reserve		-	-	-	2,171	( 2,171 )	-	-	-	-
Cash dividends		-	-	-	-	( 462,279 )	-	-	-	( 462,279 )
Changes in ownership interests in subsidiaries		-	6,972	-	-	-	-	-	-	6,972
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	( 3,442 )	-	-	( 2,098 )	-	-	-	( 5,540 )
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	( 62,437 )	-	62,437	-	-
Balance at December 31, 2020		\$ 924,557	\$ 1,751,290	\$ 973,217	\$ 271,295	\$ 1,719,169	(\$ 438,511 )	(\$ 12,595 )	\$ 4,649	\$ 5,193,071

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax for the year		\$ 1,016,227	\$ 28,550,908	\$ 25,195,937	
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(7)(8)(21)	66,890	1,879,266	1,411,957	
Amortisation	6(9)(21)	15,927	447,457	448,662	
Expected credit impairment loss	12(2)	597	16,770	14,602	
Interest expense	6(20)	6,610	185,695	132,833	
Interest income	6(17)	( 241 )	( 6,772 )	( 17,125 )	
Dividend income	6(18)	( 1,581 )	( 44,420 )	( 55,722 )	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	( 788,213 )	( 22,144,854 )	( 20,755,540 )	
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(19)	( 35 )	( 993 )	4,241	
(Gain) loss on disposal of property, plant and equipment	6(19)	( 68 )	( 1,908 )	1,361	
Loss (gain) on disposal of investments	6(19)	781	21,946	( 2,113,283 )	
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		-	-	27,152	
Contract assets		( 79,631 )	( 2,237,232 )	144,791	
Notes receivable		1,045	29,361	6,146	
Accounts receivable		( 84,512 )	( 2,374,353 )	2,547,349	
Accounts receivable - related parties		( 84,855 )	( 2,384,000 )	( 2,170,142 )	
Other receivables		194	5,441	255,243	
Other receivables - related parties		( 5,857 )	( 164,564 )	180,693	
Inventories		( 29,782 )	( 836,728 )	( 505,188 )	
Prepayments		8,550	240,207	( 238,464 )	
Other current assets		1,613	45,326	( 74,976 )	
Other non-current assets		2,479	69,656	( 64,930 )	
Net changes in liabilities relating to operating activities					
Contract liabilities		81,760	2,297,050	8,303	
Accounts payable		18,048	507,054	( 175,745 )	
Accounts payable - related parties		33,658	945,624	83,303	
Other payables		43,433	1,220,256	694,436	
Other payables - related parties		( 3,586 )	( 100,753 )	( 36,740 )	
Other current liabilities		( 5,748 )	( 161,461 )	( 373,450 )	
Other non-current liabilities		( 10,405 )	( 292,320 )	228,549	
Cash inflow generated from operations		203,298	5,711,659	4,804,253	
Interest received		236	6,624	16,979	
Dividends received		131,203	3,686,138	6,200,189	
Interest paid		( 6,252 )	( 175,648 )	( 126,667 )	
Income taxes paid		( 37,299 )	( 1,047,904 )	( 1,011,371 )	
Net cash flows from operating activities		291,186	8,180,869	9,883,383	

(Continued)

DELTA ELECTRONICS, INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars 2020	New Taiwan Dollars 2020	New Taiwan Dollars 2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through profit or loss		(\$ 32,034)	(\$ 900,000)	\$ -
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)	17,863	501,867	402,780
Acquisition of investments accounted for under the equity method		( 6,303)	( 177,078)	( 309,510)
Proceeds from capital reduction of investments accounted for under the equity method		8,309	233,452	46,642
Acquisition of property, plant and equipment	6(7)	( 185,663)	( 5,216,193)	( 6,110,524)
Proceeds from disposal of property, plant and equipment		476	13,364	27,859
Acquisition of intangible assets	6(9)	( 12,890)	( 362,139)	( 506,394)
Decrease (increase) in prepayments for business facilities		984	27,642	( 133,758)
Decrease in cash surrender value of life insurance		372	10,441	6,827
Increase in refundable deposits		( 326)	( 9,169)	( 2,066)
Cash inflow due to business combinations	6(25)	832	23,384	445,267
Net cash flows used in investing activities		( 208,380)	( 5,854,429)	( 6,144,067)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from long-term debt	6(26)	2,347,089	65,941,443	9,597,000
Repayment of long-term debt	6(26)	( 1,933,369)	( 54,317,998)	-
Increase in guarantee deposit received		-	-	122,570
Lease principal repayment		( 2,886)	( 81,084)	( 65,941)
Cash dividends paid	6(15)	( 462,279)	( 12,987,717)	( 12,987,717)
Net cash flows used in financing activities		( 51,445)	( 1,445,356)	( 3,334,088)
Net increase in cash and cash equivalents		31,361	881,084	405,228
Cash and cash equivalents at beginning of year		22,963	645,136	239,908
Cash and cash equivalents at end of year		<u>\$ 54,324</u>	<u>\$ 1,526,220</u>	<u>\$ 645,136</u>

The accompanying notes are an integral part of these parent company only financial statements.

DELTA ELECTRONICS, INC.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

**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 is the global leader in power and thermal management solutions and is 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 Company’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 Company continues to develop innovative energy-efficient products and solutions. In recent years, the Company has transformed from a product provider towards a solution provider and the Company’s business is segregated into power electronics business, automation business, and infrastructure business.

**2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION**

These parent company only financial statements were authorised for issuance by the Board of Directors on February 24, 2021.

**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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	January 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Company’s financial

condition and financial performance based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

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

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
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 Company's financial condition and financial performance based on the Company's assessment.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

##### (2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets 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 Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value

through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

#### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even the Company still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

#### (4) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within 12 months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within 12 months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recorded at standard cost. The cost of finished goods and work in process comprises raw materials, direct labour, other director costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Investments accounted for under equity method / subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company (including structured entries). The Company controls and entity when the Company 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.
- B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.
- E. When the Company loses control of a subsidiary, the Company 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 would be required if the related assets or liabilities were disposed of. That is, when the Company 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.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost. The Company's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made

payments on behalf of the associate.

- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. Pursuant to the "Rules Governing the Preparation of Financial Statements by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) Cash surrender value of life insurance

Premium paid for life insurance with saving nature belonging to cash surrender value is recognised as a deduction to insurance premium expense in current period and is added to the carrying amount of cash surrender value.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives (lease allocates its cost over contractual period). Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the asset's residual values and useful lives differ from previous estimates or the patterns of consumption of the asset's future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are 2~15 years except for buildings, the estimated life of which is 5~55 years.

(14) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (a) The amount of the initial measurement of lease liability; and
  - (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Intangible assets

A. Trademarks

- (a) Separately acquired trademarks with finite useful lives are stated at acquisition cost and are amortised on a straight-line basis over their estimated useful lives.
- (b) Certain trademarks which are assessed to generate net cash inflows and have indefinite useful lives are recorded at actual cost. These are not amortised and instead, are tested for impairment annually.

B. Goodwill arised in the Company by consummating a short-form merger with the subsidiary pursuant to Article 19 of Enterprises Mergers and Acquisitions Act.

C. Intangible assets other than trademarks and goodwill, mainly computer software, patents, customer relationship and technology authorisation fees, are amortised on a straight-line basis over their estimated useful lives of 2~22 years.

(16) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use should be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(17) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs)

and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial, they are measured subsequently at original invoice amount.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(20) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount 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.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognised as pension expense 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 plan

- 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 Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan 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 plan 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.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, 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 employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) 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 operates and generates 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 parent company only 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 Company 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.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(25) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells power supply of computers, information technology, vehicles and electrical machines, automation equipment and related components products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Sales revenue is recognised based on the price specified in the contract, net of the estimated discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually made with a credit term of 30 to 90 days after acceptance. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (c) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the control of goods are transferred as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Installation of software and module services

- (a) The Company provides installation of some software and module services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the

payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Company are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification.
- (c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

#### C. Revenue from licencing intellectual property

The Company is entitled to collect usage-based royalty in return for licencing patented technologies and intellectual property rights to subsidiaries and associates under agreements. The Company recognises revenue when the performance obligation has been satisfied and the subsequent usage occurs.

#### D. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

#### (26) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate or Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expenses.

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

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company has no critical accounting judgments in applying accounting policies; and the critical accounting estimates and assumptions uncertainty information is addressed below:

### Critical accounting estimates and assumptions

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Company's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and revolving funds	\$ 2,096	\$ 3,421
Checking accounts and demand deposits	<u>1,524,124</u>	<u>641,715</u>
	<u>\$ 1,526,220</u>	<u>\$ 645,136</u>

A. The Company 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 Company's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	48,636	45,363
Hybrid instrument-convertible bonds	<u>900,000</u>	<u>-</u>
	979,479	76,206
Valuation adjustment	<u>( 32,015)</u>	<u>( 33,008)</u>
	<u>\$ 947,464</u>	<u>\$ 43,198</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2020	2019
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 993	(\$ 4,241)

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

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

Items	December 31, 2020	December 31, 2019
Current items:		
Equity instruments		
Listed stocks	\$ -	\$ 1,559,472
Valuation adjustment	-	( 1,239,649)
	<u>\$ -</u>	<u>\$ 319,823</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 2,301,004
Unlisted stocks	149,334	153,610
	1,758,033	2,454,614
Valuation adjustment	( 353,844)	( 1,194,648)
	<u>\$ 1,404,189</u>	<u>\$ 1,259,966</u>

A. The Company 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 \$1,404,189 and \$1,579,789 as at December 31, 2020 and 2019, respectively.

B. For the years ended December 31, 2020 and 2019, the Company sold listed stocks and convertible bonds whose fair value were \$501,867 and \$402,780, respectively, to adjust the stock position, resulting to an accumulated loss on disposal of \$1,754,186 and \$920,516, 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:

	Years ended December 31,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 326,268	\$ 185,277
Cumulative loss reclassified to retained earnings due to derecognition	(\$ 1,754,186)	(\$ 920,516)

D. As at December 31, 2020 and 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 Company was \$1,404,189 and \$1,579,789, respectively.

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 34,132	\$ 63,493
Accounts receivable	\$ 6,910,049	\$ 4,525,757
Less: Allowance for uncollectible accounts	( 93,456)	( 78,409)
	<u>\$ 6,816,593</u>	<u>\$ 4,447,348</u>
Overdue receivables (shown as other non-current assets)	\$ 998	\$ -
Less: Allowance for uncollectible accounts	( 998)	-
	<u>\$ 6,816,593</u>	<u>\$ 4,447,348</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 6,532,859	\$ 4,171,912
1 to 90 days	149,468	225,163
91 to 180 days	130,627	45,629
181 to 365 days	3,639	4,644
Over 366 days	-	-
	<u>\$ 6,816,593</u>	<u>\$ 4,447,348</u>

The above aging analysis was based on past due date.

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

C. As at December 31, 2020 and 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 \$5,428,695.

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

E. As at December 31, 2020 and 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 Company's notes receivable were \$34,132 and \$63,493, and accounts receivable were \$6,816,593 and \$4,447,348, respectively.

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

(5) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,202,454	(\$ 687,106)	\$ 2,515,348
Work in process	501,254	-	501,254
Finished goods	1,733,940	( 502,891)	1,231,049
Inventory in transit	167,948	-	167,948
	<u>\$ 5,605,596</u>	<u>(\$ 1,189,997)</u>	<u>\$ 4,415,599</u>

  

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,381,822	(\$ 682,522)	\$ 1,699,300
Work in process	317,962	-	317,962
Finished goods	1,687,425	( 254,622)	1,432,803
Inventory in transit	128,806	-	128,806
	<u>\$ 4,516,015</u>	<u>(\$ 937,144)</u>	<u>\$ 3,578,871</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 30,086,289	\$ 26,068,307
Loss on market value decline and obsolete and slow-moving inventories	344,589	354,310
Others	( 55,377)	( 21,640)
	<u>\$ 30,375,501</u>	<u>\$ 26,400,977</u>

(6) Investments accounted for under equity method

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

Investee	December 31, 2020		December 31, 2019	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta International Holding Ltd. (DIH)	100.00	\$ 68,300,397	100.00	\$ 71,598,502
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	36,275,120	100.00	24,194,633
Cyntec Co., Ltd. (Cyntec)	100.00	32,669,114	100.00	33,929,506
Delta Electronics (Netherlands) B.V. (DEN)	100.00	17,298,092	100.00	10,740,522
Delta Electronics (Thailand) Public Company Limited (DET)	5.54	4,570,430	5.54	4,588,711
Vivotek Inc. (Vivo)	52.65	3,903,371	49.87	3,908,920

Investee	December 31, 2020		December 31, 2019	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta Electronics Capital Company (DECC)	100.00	\$ 3,472,020	100.00	\$ 3,835,853
Delta Networks Holding Ltd. (DNH)	100.00	3,112,095	100.00	5,547,216
Allied Material Technology Corp. (AMT)	99.97	1,675,498	99.97	1,769,895
UNICOM SYSTEM ENG. CORP. (UNICOM) (Note 1)	-	-	100.00	453,222
Delta America Ltd. (DAL) (Note 2)	10.26	325,803	10.26	246,704
PreOptix (Hong Kong) Co. Ltd. (PHK) (Note 3)	39.62	-	39.62	243,787
DelBio Inc. (DelBio)	100.00	221,734	100.00	218,817
		<u>\$ 171,823,674</u>		<u>\$ 161,276,288</u>

Note 1: The investee was dissolved after the merger with the Company on December 1, 2020.

Note 2: DAL was accounted for under equity method given 100% of consolidated ownership. The Company previously owned 10.26% equity of DAL. On October 3, 2016 and July 2, 2015, the Company acquired indirectly an additional 49.79% and 39.95% equity of DAL, respectively, through DEN and its subsidiaries, Castle Horizon Limited and Energy Dragon Global Limited. As Castle Horizon Limited and Energy Dragon Global Limited had been liquidated in February 2020, the investors were changed to the Company and DEN.

Note 3: In 2020, PHK returned capital amounting to USD 5,250,000 to the Company, due to the liquidation of the subsidiary, which is yet to be completed as at December 31, 2020.

B. Share of profit/(loss) of subsidiaries and associates accounted for under equity method is shown as follows:

Investee	2020	2019
DEIL-SG	\$ 14,451,088	\$ 9,347,995
DIH	693,897	8,900,336
CYNTEC	938,087	910,629
DNH	164,705	180,995
DECC	( 86,241)	308,435
DEN	5,721,993	925,303
DET	224,882	56,013
Others	36,443	125,834
	<u>\$ 22,144,854</u>	<u>\$ 20,755,540</u>

C. The financial statements of investments under the equity method were audited by other independent auditors.

D. Information about subsidiaries of the Company is provided in Note 4(3) in the 2020 consolidated financial statements.

(7) 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	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	( 2,480,129)	( 1,567,557)	( 2,942,481)	( 1,818,935)	-	( 8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>2020</u>							
Opening net book amount	\$ 10,145,121	\$ 5,326,928	\$ 742,338	\$ 1,108,227	\$ 643,063	\$ 1,828,112	\$ 19,793,789
Additions	102,384	150,320	587,101	670,812	259,130	3,446,446	5,216,193
Disposal	-	-	( 7,453)	( 4,002)	( 1)	-	( 11,456)
Transfer	-	581,776	33,238	34,221	6,824	( 656,059)	-
Depreciation charge	-	( 231,359)	( 400,149)	( 666,909)	( 498,843)	-	( 1,797,260)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>
<u>At December 31, 2020</u>							
Cost	\$ 10,247,505	\$ 8,527,286	\$ 2,873,420	\$ 4,645,129	\$ 2,600,921	\$ 4,618,499	\$ 33,512,760
Accumulated depreciation and impairment	-	( 2,699,621)	( 1,918,345)	( 3,502,780)	( 2,190,748)	-	( 10,311,494)
	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</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	\$ 7,668,157	\$ 7,557,523	\$ 1,206,465	\$ 2,529,730	\$ 2,067,825	\$ 160,029	\$ 21,189,729
Accumulated depreciation and impairment	-	( 2,211,117)	( 801,406)	( 2,073,022)	( 1,417,600)	-	( 6,503,145)
	<u>\$ 7,668,157</u>	<u>\$ 5,346,406</u>	<u>\$ 405,059</u>	<u>\$ 456,708</u>	<u>\$ 650,225</u>	<u>\$ 160,029</u>	<u>\$ 14,686,584</u>
<u>2019</u>							
Opening net book amount	\$ 7,668,157	\$ 5,346,406	\$ 405,059	\$ 456,708	\$ 650,225	\$ 160,029	\$ 14,686,584
Additions	2,476,964	188,957	288,347	904,633	370,936	1,880,687	6,110,524
Acquired through business combinations	-	9,085	217,604	125,334	17,954	97	370,074
Disposals	-	-	( 29,025)	( 3)	( 192)	-	( 29,220)
Transfer	-	24,809	115,607	49,172	23,113	( 212,701)	-
Depreciation charge	-	( 242,329)	( 255,254)	( 427,617)	( 418,973)	-	( 1,344,173)
Closing net book amount	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>At December 31, 2019</u>							
Cost	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	( 2,480,129)	( 1,567,557)	( 2,942,481)	( 1,818,935)	-	( 8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>

(8) Leasing arrangements - lessee

- A. The Company leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 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>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 428,708	\$ 429,447
Buildings and structures	54,503	92,842
Transportation equipment	4,167	2,978
Other equipment	21	451
	<u>\$ 487,399</u>	<u>\$ 525,718</u>

  

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 16,587	\$ 16,509
Buildings and structures	62,056	47,970
Transportation equipment	2,933	2,875
Other equipment	430	430
	<u>\$ 82,006</u>	<u>\$ 67,784</u>

- C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets (including those acquired through business combination) were \$43,687 and \$127,917, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 6,029</u>	<u>\$ 6,376</u>
Expense on short-term lease contracts	<u>\$ 52,539</u>	<u>\$ 33,886</u>

- E. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases was \$139,652 and \$106,203, respectively.
- F. Extension options
- (a) Extension options are included in the Company's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Company to effectively utilise the assets.
- (b) In determining the lease term, the Company 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.

(9) Intangible assets

<u>At January 1, 2020</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,164	\$ 127,043	\$ 6,287	\$ 1,336,904	\$ 1,883,398
Accumulated amortisation and impairment	( 23,322)	( 60,007)	-	( 791,488)	( 874,817)
	<u>\$ 389,842</u>	<u>\$ 67,036</u>	<u>\$ 6,287</u>	<u>\$ 545,416</u>	<u>\$ 1,008,581</u>
<u>2020</u>					
Opening net book amount	\$ 389,842	\$ 67,036	\$ 6,287	\$ 545,416	\$ 1,008,581
Additions	-	10,489	-	351,650	362,139
Acquired through business combinations	-	-	409,645	5,817	415,462
Amortisation	( 3,018)	( 24,849)	-	( 419,590)	( 447,457)
Closing net book amount	<u>\$ 386,824</u>	<u>\$ 52,676</u>	<u>\$ 415,932</u>	<u>\$ 483,293</u>	<u>\$ 1,338,725</u>
<u>At December 31, 2020</u>					
Cost	\$ 413,164	\$ 137,532	\$ 415,932	\$ 1,702,165	\$ 2,668,793
Accumulated amortisation and impairment	( 26,340)	( 84,856)	-	( 1,218,872)	( 1,330,068)
	<u>\$ 386,824</u>	<u>\$ 52,676</u>	<u>\$ 415,932</u>	<u>\$ 483,293</u>	<u>\$ 1,338,725</u>
<u>At January 1, 2019</u>					
Cost	\$ 413,164	\$ 113,696	\$ 1,818,945	\$ 2,345,805	
Accumulated amortisation and impairment	( 20,030)	( 75,777)	( 1,305,567)	( 1,401,374)	
	<u>\$ 393,134</u>	<u>\$ 37,919</u>	<u>\$ 513,378</u>	<u>\$ 944,431</u>	
<u>2019</u>					
Opening net book amount	\$ 393,134	\$ 37,919	\$ 513,378	\$ 944,431	
Additions	-	44,595	461,799	506,394	
Acquired through business combinations	-	228	6,190	6,418	
Amortisation	( 3,292)	( 15,706)	( 429,664)	( 448,662)	
Closing net book amount	<u>\$ 389,842</u>	<u>\$ 67,036</u>	<u>\$ 551,703</u>	<u>\$ 1,008,581</u>	
<u>At December 31, 2019</u>					
Cost	\$ 413,164	\$ 127,043	\$ 1,343,191	\$ 1,883,398	
Accumulated amortisation and impairment	( 23,322)	( 60,007)	( 791,488)	( 874,817)	
	<u>\$ 389,842</u>	<u>\$ 67,036</u>	<u>\$ 551,703</u>	<u>\$ 1,008,581</u>	

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

	Years ended December 31,	
	2020	2019
Operating costs	\$ 2,180	\$ 666
Selling expenses	3,629	7,810
Administrative expenses	124,555	206,394
Research and development expenses	317,093	233,792
	<u>\$ 447,457</u>	<u>\$ 448,662</u>

B. The Company acquired registered or under-application trademark rights such as , , VIVITEK, 麗訊 and . The Company's 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 Company's cash-generating units identified according to operating segment:

	December 31, 2020	December 31, 2019
Goodwill:		
UNICOM and others	<u>\$ 415,932</u>	<u>\$ -</u>
Trademarks:		
Infrastructure business	<u>\$ 386,823</u>	<u>\$ 386,823</u>

D. Goodwill and trademarks with indefinite useful lives are allocated to the Company's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. The recoverable amount calculated using the value-in-use exceeded their carrying amount, so goodwill and trademark rights with indefinite useful lives were not impaired. Value-in-use calculations take into account operating margin, growth rate and discount rate.

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

(10) Other non-current assets

	December 31, 2020	December 31, 2019
Prepayments for business facilities	\$ 347,541	\$ 375,183
Cash surrender value of life insurance	43,512	53,953
Guarantee deposits paid	45,455	36,286
Other financial assets	140,000	-
Others	93,736	303,392
	<u>\$ 670,244</u>	<u>\$ 768,814</u>

(11) Long-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Credit loans	\$ 38,618,445	\$ 26,995,000
Credit lines	\$ 61,523,630	\$ 56,663,940
Interest rate range	0.31%~0.56%	0.47%~0.63%

As at December 31, 2020, the revolving loans of \$38,618,445 can be drawn down during the period from June 29, 2020 to August 31, 2022 and are payable before the due date under the agreement.

(12) Pensions

A. Defined benefit plan

(a) The Company has 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 contributes 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 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 will make contribution for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 3,584,648)	(\$ 3,576,648)
Fair value of plan assets	1,959,017	1,699,763
Net defined benefit liability	<u>(\$ 1,625,631)</u>	<u>(\$ 1,876,885)</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2020			
Balance at January 1	(\$ 3,576,648)	\$ 1,699,763	(\$ 1,876,885)
Current service cost	( 31,054)	-	( 31,054)
Interest (expense) income	( 26,507)	12,576	( 13,931)
Past service cost	6,548	-	6,548
	<u>( 3,627,661)</u>	<u>1,712,339</u>	<u>( 1,915,322)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	64,633	64,633
Change in financial assumptions	( 165,271)	-	( 165,271)
Change in demographic assumptions	( 6,512)	-	( 6,512)
Experience adjustments	37,959	-	37,959
	<u>( 133,824)</u>	<u>64,633</u>	<u>( 69,191)</u>
Pension fund contribution	-	347,665	347,665
Paid pension	193,580	( 179,511)	14,069
Effect of business combination	( 16,743)	13,891	( 2,852)
Balance at December 31	<u>(\$ 3,584,648)</u>	<u>\$ 1,959,017</u>	<u>(\$ 1,625,631)</u>
Year ended December 31, 2019			
Balance at January 1	(\$ 3,072,318)	\$ 1,182,795	(\$ 1,889,523)
Current service cost	( 31,613)	-	( 31,613)
Interest (expense) income	( 33,681)	13,649	( 20,032)
Past service cost	( 6,082)	-	( 6,082)
	<u>( 3,143,694)</u>	<u>1,196,444</u>	<u>( 1,947,250)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	40,323	40,323
Change in financial assumptions	( 83,202)	-	( 83,202)
Change in demographic assumptions	( 2,856)	-	( 2,856)
Experience adjustments	15,300	-	15,300
	<u>( 70,758)</u>	<u>40,323</u>	<u>( 30,435)</u>
Pension fund contribution	-	67,998	67,998
Paid pension	88,018	( 81,355)	6,663
Effect of business combination	( 450,214)	476,353	26,139
Balance at December 31	<u>(\$ 3,576,648)</u>	<u>\$ 1,699,763</u>	<u>(\$ 1,876,885)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2020	2019
Discount rate	0.30%	0.75%
Future salary increases rate	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 93,281)	\$ 96,919	\$ 92,145	(\$ 89,211)
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 96,589)	\$ 100,410	\$ 97,932	(\$ 94,744)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2021 amount to \$38,247.

(g) As at December 31, 2020, the weighted average duration of the retirement plan is 10 years.

#### B. Defined contribution plan

Effective July 1, 2005, the Company has 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 contributes 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. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2020 and 2019 were \$372,375 and \$361,854, respectively.

### (13) 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 December 31, 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 December 31, 2020, there were 942 thousand units outstanding, representing 4,712 thousand common shares of the Company's common stock.

(14) 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.

(15) Retained earnings

A. Under the Company's Articles of Incorporation, 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 shareholders' 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 Jin-Guan-Zheng-Fa-Zi Letter No. 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

Information about the appropriation of earnings will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

- E. The appropriations of 2020 earnings had been proposed by the Board of Directors on February 24, 2021. Details are summarised below:

	Year ended December 31, 2020	
	Amount	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 2,355,218	
Appropriation for special reserve	4,921,173	
Cash dividends	14,286,488	\$ 5.5

As at February 24, 2021, the abovementioned 2020 earnings appropriation has not yet been approved by the stockholders.

#### (16) Operating revenue

	Years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 58,184,137	\$ 47,945,673

- A. Disaggregation of revenue from contracts with customers

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

	Year ended December 31, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 15,268,534	\$ 8,784,141	\$ 16,936,156	\$ 17,195,306	\$ 58,184,137
Timing of revenue recognition					
At a point in time	14,092,929	5,373,495	14,638,982	12	34,105,418
Over time	1,175,605	3,410,646	2,297,174	17,195,294	24,078,719
	\$ 15,268,534	\$ 8,784,141	\$ 16,936,156	\$ 17,195,306	\$ 58,184,137
	Year ended December 31, 2019				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 12,124,250	\$ 7,796,159	\$ 15,552,999	\$ 12,472,265	\$ 47,945,673
Timing of revenue recognition					
At a point in time	10,888,128	5,504,659	12,806,934	7,222	29,206,943
Over time	1,236,122	2,291,500	2,746,065	12,465,043	18,738,730
	\$ 12,124,250	\$ 7,796,159	\$ 15,552,999	\$ 12,472,265	\$ 47,945,673

#### B. Contract assets and liabilities

The Company 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 year is as follows:

	Years ended December 31,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ 464,306	\$ 426,796

#### (17) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 6,772	\$ 17,125

(18) Other income

	Years ended December 31,	
	2020	2019
Sample sales income	\$ 214,079	\$ 137,327
Testing fee income	103,763	34,579
Dividend income	44,420	55,722
Mold fee income	30,054	86,270
Rental income	26,856	38,411
Others	589,729	539,402
	<u>\$ 1,008,901</u>	<u>\$ 891,711</u>

(19) Other gains and losses

	Years ended December 31,	
	2020	2019
Gain (loss) on disposal of property, plant and equipment	\$ 1,908	(\$ 1,361)
(Loss) gain on disposal of investments (Note)	( 21,946)	2,113,283
Net currency exchange (loss) gain	( 23,167)	38,351
Gain (loss) on financial assets at fair value through profit or loss	993	( 4,241)
Miscellaneous expenses	( 54,009)	( 91,284)
	<u>(\$ 96,221)</u>	<u>\$ 2,054,748</u>

(Note) The Company recognised a gain of \$2,133,375 as a result of measuring at fair value its 5.54% equity interest in DET held before the public tender offer made by the subsidiary, DEIL-SG.

(20) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense	<u>\$ 185,695</u>	<u>\$ 132,833</u>

(21) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 14,842,435	\$ 12,635,626
Depreciation charges on property, plant and equipment	1,797,260	1,344,173
Depreciation charges on right-of-use asset	82,006	67,784
Amortisation charges on intangible assets	447,457	448,662
	<u>\$ 17,169,158</u>	<u>\$ 14,496,245</u>

(22) Employee benefit expense

	Years ended December 31,	
	2020	2019
Post-employment benefits		
Defined contribution plan	\$ 372,375	\$ 361,854
Defined benefit plan	38,437	57,727
	410,812	419,581
Other employee benefits	14,431,623	12,216,045
	<u>\$ 14,842,435</u>	<u>\$ 12,635,626</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.

To attract talents from labour market, the overall salary positioning of the Company is superior to the benchmark of the technology industry. The salary structures are reviewed annually to maintain a highly competitive edge in motivating and retaining top talents by referring to the labour market salary survey and the industry salary benchmark. In addition to complying with the local labour laws and related salary regulations, the Company particularly focuses on the link between the Company's performance and employees' salary and the rational design of the salary based on these factors.

The remuneration of directors shall be assessed by the remuneration committee based on their participation in the operations of the Company and the value of their contribution to the Company, and shall be determined by referring to the industry salary benchmark. Independent directors may be remunerated differently from general directors. An independent director who serves as chairman of the functional committee may be remunerated higher than other independent directors. The management's salary is highly related to the Company's operating results and performance. The proposal of the management's salary is determined based on the evaluation of its key performance indicators and the industry salary benchmark.

The Company's employee salary includes monthly salary, bonus, and employee compensation. The standard salary of the employee is determined based on the position, educational experience, professional knowledge, and market value. Starting salary and rewards do not vary according to gender, religion, political affiliation, marital status, etc. The annual salary increase budget is about 3 ~ 5% in the principle that the employee's salary is in line with the market condition and fairness. The employees' compensation is, based on their position, contribution, and performance, offered to encourage the employees to focus on long-term contribution to and build mutual benefit and prosperity with the Company.

The remuneration of directors and management as well as the compensation of employees shall all be discussed and approved by the remuneration committee and then submitted to the Board of Directors for discussion and resolution.

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$2,421,097 and \$1,763,122, respectively; while directors' remuneration was accrued at \$29,400 and \$39,144, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2020, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021.

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 the 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.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Current tax on profits for the year	\$ 1,169,836	\$ 841,476
Tax on undistributed surplus earnings	223,734	200,341
Prior year income tax overestimation	-	( 455,844)
Total current tax	<u>1,393,570</u>	<u>585,973</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,672,107</u>	<u>1,492,167</u>
Income tax expense	<u>\$ 3,065,677</u>	<u>\$ 2,078,140</u>

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

	Years ended December 31,	
	2020	2019
Remeasurement of defined benefit plan	(\$ 13,838)	(\$ 6,088)
Gain or loss on hedging instruments	( 1,849)	( 13,404)
Currency translation differences	<u>( 474,308)</u>	<u>540,534</u>
	<u>(\$ 489,995)</u>	<u>\$ 521,042</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 5,710,182	\$ 5,039,187
Effects from items disallowed by tax regulation	( 2,184,955)	( 2,259,051)
Effect from investment tax credits	( 683,284)	( 446,493)
Prior year income tax overestimation	-	( 455,844)
Tax on undistributed surplus earnings	223,734	200,341
	<u>\$ 3,065,677</u>	<u>\$ 2,078,140</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2020					
	<u>January 1</u>	<u>Acquired through business combinations</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Recognised in equity</u>	<u>December 31</u>
Deferred tax assets:						
- Temporary differences:						
Allowance for inventory obsolescence	\$ 140,399	\$ -	\$ 51,120	\$ -	\$ -	\$ 191,519
Pension liability	302,507	-	4,630	13,838	-	320,975
Assets impairment	12,531	-	( 20)	-	-	12,511
Others	126,948	4,064	20,186	-	-	151,198
	<u>582,385</u>	<u>4,064</u>	<u>75,916</u>	<u>13,838</u>	<u>-</u>	<u>676,203</u>
Deferred tax liabilities:						
Land value increment tax	( 119,862)	-	-	-	-	( 119,862)
Long-term equity investments	( 9,254,665)	-	( 1,620,755)	476,157	( 11,811)	( 10,411,074)
Others	( 106,615)	-	( 127,268)	-	-	( 233,883)
	<u>( 9,481,142)</u>	<u>-</u>	<u>( 1,748,023)</u>	<u>476,157</u>	<u>( 11,811)</u>	<u>( 10,764,819)</u>
	<u>(\$ 8,898,757)</u>	<u>\$ 4,064</u>	<u>(\$ 1,672,107)</u>	<u>\$ 489,995</u>	<u>(\$ 11,811)</u>	<u>(\$ 10,088,616)</u>

	2019					
	January 1	Acquired through business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:						
- Temporary differences:						
Allowance for inventory obsolescence	\$ 74,425	\$ -	\$ 65,974	\$ -	\$ -	\$ 140,399
Pension liability	305,035	-	( 8,616)	6,088	-	302,507
Assets impairment	12,547	-	( 16)	-	-	12,531
Others	<u>86,288</u>	<u>14,965</u>	<u>25,695</u>	<u>-</u>	<u>-</u>	<u>126,948</u>
	<u>478,295</u>	<u>14,965</u>	<u>83,037</u>	<u>6,088</u>	<u>-</u>	<u>582,385</u>
Deferred tax liabilities:						
Land value increment tax	( 119,862)	-	-	-	-	( 119,862)
Long-term equity investments	( 6,471,420)	-	( 2,256,238)	( 527,130)	123	( 9,254,665)
Others	<u>( 787,593)</u>	<u>( 56)</u>	<u>681,034</u>	<u>-</u>	<u>-</u>	<u>( 106,615)</u>
	<u>( 7,378,875)</u>	<u>( 56)</u>	<u>( 1,575,204)</u>	<u>( 527,130)</u>	<u>123</u>	<u>( 9,481,142)</u>
	<u>(\$ 6,900,580)</u>	<u>\$ 14,909</u>	<u>(\$ 1,492,167)</u>	<u>(\$ 521,042)</u>	<u>\$ 123</u>	<u>(\$ 8,898,757)</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2020 and 2019, the amounts of temporary differences unrecognised as deferred tax liabilities were \$7,562,423 and \$6,904,364, respectively.

E. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	Year ended December 31, 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	\$ 25,485,231	2,597,543	\$ 9.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	11,741	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 25,485,231	2,609,284	\$ 9.77

	Year ended December 31, 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	\$ 23,117,797	2,597,543	\$ 8.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	13,840	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,117,797	2,611,383	\$ 8.85

(25) Business combinations

A. The Company had the following mergers for the years ended December 31, 2020 and 2019:

- (a) Based on the resolution of the Board of Directors on October 28, 2020, the Company consummated a short-form merger with the subsidiary, UNICOM, pursuant to Article 19 of the Enterprises Mergers and Acquisitions Act. The merger became effective on December 1, 2020. The Company was the surviving entity after the merger.
- (b) Based on the resolution of the Board of Directors on July 31, 2018, the Company consummated a short-form merger with the subsidiary, Delta Networks, Inc. (Taiwan), pursuant to Article 19 of the Enterprises Mergers and Acquisitions Act. The merger became effective on April 1, 2019. The Company was the surviving entity after the merger.

B. The book value of UNICOM on the acquisition date is shown as follows:

	<u>December 1, 2020</u>
Contract asset - current	\$ 15,808
Accounts receivable, net	11,662
Other receivables	25
Other current assets	84
Financial assets at fair value through profit or loss - non-current	3,273
Contract asset - non-current	3,424
Intangible assets	415,462
Deferred tax assets	4,064
Contract liabilities - current	( 7,072)
Accounts payable	( 1,907)
Other payables	( 200)
Current tax liabilities	( 6,365)
Other non-current liabilities	( 3,367)
Cash inflow arising from business combination	23,384
	<u>\$ 458,275</u>

C. The book value of Delta Networks, Inc. (Taiwan) on the acquisition date is shown as follows:

	<u>April 1, 2019</u>
Accounts receivable, net	\$ 1,650,243
Other receivables	184,891
Inventories	1,408,042
Prepayments	29,699
Other current assets	103
Property, plant and equipment	370,074
Intangible assets	6,418
Right-of-use assets	113,105
Deferred tax assets	14,965
Other non-current assets	31,833
Contract liabilities - current	( 29,207)
Accounts payable	( 1,466,769)
Other payables	( 974,235)
Current tax liabilities	( 1,408)
Other current liabilities	( 317,891)
Deferred tax liabilities	( 56)
Lease liabilities - non-current	( 70,365)
Cash inflow arising from business combinations	445,267
	<u>\$ 1,394,709</u>

(26) Changes in liabilities from financing activities

	<u>Long-term borrowings</u>
At January 1, 2020	\$ 26,995,000
Changes in cash flow from financing activities	11,623,445
At December 31, 2020	<u>\$ 38,618,445</u>
	<u>Long-term borrowings</u>
At January 1, 2019	\$ 17,398,000
Changes in cash flow from financing activities	9,597,000
At December 31, 2019	<u>\$ 26,995,000</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

<u>Names and relationship of related parties</u>	<u>Relationship with the Company</u>
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Subsidiary
DEI Logistics (USA) Corp. (ALI)	"
Delta Electronics (Americas) Ltd.	"
CYNTEC ELECTRONICS (SUZHOU) CO., LTD.	"
Cyntec Co., Ltd. (Cyntec)	"
Delta Electronics Components (Wujiang) Ltd.	"
Delta Networks, Inc. (Taiwan) (DNIT)	It was a subsidiary before March 31, 2019, and dissolved after the merger with the Company on April 1, 2019
Delta Electronics (Thailand) Public Company Limited (DET)	It was an associate before April 2, 2019, and has been 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	"
Delta Power Solutions (India) Pvt Ltd.	It was an associate, and dissolved after the merger with Delta Electronics India Pvt. Ltd. in February 2019
Digital Projection Ltd.	It was an associate before January 6, 2020, and has been a subsidiary since January 6, 2020
Digital Projection Inc. Bruce Cheng	" Director of the Company

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2020	2019
Sales of goods:		
Subsidiaries		
ALI	\$ 7,857,459	\$ 7,148,226
Others	4,117,054	2,675,569
Associates	-	124,463
Director of the Company	21,905	-
	<u>\$ 11,996,418</u>	<u>\$ 9,948,258</u>
	Years ended December 31,	
	2020	2019
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 16,076,400	\$ 12,595,467
Others	4,013,029	1,838,814
Associates	-	284,087
	<u>\$ 20,089,429</u>	<u>\$ 14,718,368</u>

The Company sells commodities to related parties based on mutually agreed selling price and terms as there is no similar transaction to be compared with. Sales of service to related parties arise mainly from licensing patent technologies and intellectual property and recognised as revenue on a usage basis.

B. Purchases

	Years ended December 31,	
	2020	2019
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 17,708,985	\$ 16,075,603
Others	305,440	298,793
Associates	-	23,192
Purchases of services and others:		
Subsidiaries		
Cyntec	1,844,949	1,266,286
Others	-	281,203
	<u>\$ 19,859,374</u>	<u>\$ 17,945,077</u>

The purchase terms, including prices and payments, are based on mutual agreement and have no similar transaction to be compared with.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receivables from related parties:		
Subsidiaries	\$ 2,922,498	\$ 1,721,805
DEIL-SG	2,305,455	2,403,743
ALI	2,115,352	818,099
Others	-	15,658
Associates	<u>\$ 7,343,305</u>	<u>\$ 4,959,305</u>

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. There are no provisions held against receivables from related parties.

D. Period-end balances arising from purchases of goods

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 8,071,952	\$ 7,245,037
Others	599,597	479,968
Associates	-	920
	<u>\$ 8,671,549</u>	<u>\$ 7,725,925</u>

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>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables-related parties		
Subsidiaries		
DEIL-SG	\$ 498,414	\$ 328,863
ALI	58,818	60,055
Others	63,715	66,932
Associates	-	533
	<u>\$ 620,947</u>	<u>\$ 456,383</u>

The above pertain mainly to payments on behalf of others.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other payables-related parties:		
Subsidiaries		
DEIL-SG	\$ 55,327	\$ 186,744
Others	132,714	101,849
Associates	-	201
	<u>\$ 188,041</u>	<u>\$ 288,794</u>

The above pertain mainly to triangular trade collections on behalf of others and so on.

(3) Key management compensation

	Years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 270,835	\$ 259,316
Post-employment benefits	790	920
	<u>\$ 271,625</u>	<u>\$ 260,236</u>

8. PLEDGED ASSETS

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

Pledged assets	Book Value		Pledge purpose
	December 31, 2020	December 31, 2019	
Time deposits (shown as other current assets)	\$ 120,968	\$ 160,849	Warranty guarantee
Time deposits (shown as other non-current assets)	140,000	-	Performance guarantee
	<u>\$ 260,968</u>	<u>\$ 160,849</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:

	December 31, 2020	December 31, 2019
Costs of computer software	\$ -	\$ 142,500
Property, plant and equipment	1,388,423	3,432,225
	<u>\$ 1,388,423</u>	<u>\$ 3,574,725</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Information about the appropriation of 2020 earnings of the Company is provided in Note 6(15)E.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to maintain an integrity credit rating and good capital structure to support operations and maximize shareholders' equity.

## (2) Financial instruments

### A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 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	\$ 947,464	\$ 43,198
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,404,189	\$ 1,579,789
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,526,220	\$ 645,136
Notes receivable	34,132	63,493
Accounts receivable	14,159,898	9,406,653
Other receivables	691,847	554,350
Guarantee deposits paid	45,455	36,286
Other financial assets	260,968	160,849
	<u>\$ 16,718,520</u>	<u>\$ 10,866,767</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 11,590,472	\$ 10,135,887
Other accounts payable	11,983,356	10,853,606
Long-term borrowings	38,618,445	26,995,000
Guarantee deposits received	130,119	130,119
	<u>\$ 62,322,392</u>	<u>\$ 48,114,612</u>
Lease liabilities (including current portion)	<u>\$ 491,766</u>	<u>\$ 529,163</u>

### B. Financial risk management policies

The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

### C. Significant financial risks and degrees of financial risks

#### (a) Market risk

##### Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD 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 manage its foreign exchange risk against the functional currency. To manage the foreign exchange risk arising from future commercial

transactions and recognised assets and liabilities, the Company uses forward foreign exchange contracts, foreign exchange swap contracts and options, transacted with Group treasury.

- iii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 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	\$ 498,959	28.095	\$ 14,018,253
EUR:NTD	15,062	34.420	518,434
<u>Non-monetary items</u>			
USD:NTD	\$ 4,460,278	28.095	\$ 125,311,507
THB:NTD	4,864,229	0.9396	4,570,430
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 483,958	28.095	\$ 13,596,800
EUR:NTD	16,258	34.420	559,600
	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	\$ 311,794	29.980	\$ 9,347,584
EUR:NTD	10,781	33.590	362,134
<u>Non-monetary items</u>			
USD:NTD	\$ 3,754,882	29.980	\$ 112,571,364
THB:NTD	4,544,178	1.0098	4,588,711
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 301,310	29.980	\$ 9,033,274
EUR:NTD	9,909	33.590	332,843

- iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to (\$23,167) and \$38,351, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2020		
	Sensitivity analysis		
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 140,183	\$ -
EUR : NTD	1%	5,184	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 135,968	\$ -
EUR : NTD	1%	5,596	-
(Foreign currency: functional currency)	Year ended December 31, 2019		
	Sensitivity analysis		
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 93,476	\$ -
EUR : NTD	1%	3,621	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 90,333	\$ -
EUR : NTD	1%	3,328	-

#### Price risk

- i. The Company'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 Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares issued by the domestic 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 years ended December

31, 2020 and 2019 would have increased/decreased by \$256 and \$247, 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 \$12,549 and \$14,262, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company 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 Company to fair value interest rate risk. The Company's borrowings mainly bear fixed and variable interest rate. During 2020 and 2019, the Company's borrowings at variable rate were denominated in NTD.

On December 31, 2020 and 2019, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have decreased by \$77,237 and \$53,990, 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 Company 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 Company's credit policy, each local entity in the Company 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 Company 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 Company 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 Company classifies customers' accounts receivable and contract assets in accordance

with customer types. The Company applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.

- viii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On December 31, 2020 and 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 December 31, 2020</u>			
Expected loss rate	0.00%	0.54%	25.00%
Total book value	\$ 6,532,859	\$ 150,280	\$ 174,170
Loss allowance	\$ -	\$ 812	\$ 43,543
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.00%	100.00%	
Total book value	\$ 7,278	\$ 45,462	\$ 6,910,049
Loss allowance	\$ 3,639	\$ 45,462	\$ 93,456
	<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	0.00%	1.18%	25.00%
Total book value	\$ 4,171,912	\$ 227,863	\$ 60,839
Loss allowance	\$ -	\$ 2,700	\$ 15,210
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	49.99%	100.00%	
Total book value	\$ 9,287	\$ 55,856	\$ 4,525,757
Loss allowance	\$ 4,643	\$ 55,856	\$ 78,409

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

	<u>2020</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1	\$ -	\$ 78,409	\$ -	\$ -	\$ 78,409
Acquired through business combinations	-	18,386	-	-	18,386
Provision for impairment	-	15,959	-	811	16,770
Write-offs	-	( 19,298)	-	-	( 19,298)
Others	-	-	-	187	187
At December 31	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454

	2019				Total
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	
At January 1	\$ -	\$ 63,807	\$ -	\$ -	\$ 63,807
Provision for impairment	-	14,602	-	-	14,602
At December 31	\$ -	\$ 78,409	\$ -	\$ -	\$ 78,409

For provisioned loss for the years ended December 31, 2020 and 2019, the impairment losses arising from customers' contracts amounted to \$16,770 and \$14,602, respectively.

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company'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:

Non-derivative financial liabilities:

<u>December 31, 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>
Accounts payable (including related parties)	\$ 11,590,472	\$ -	\$ -	\$ -
Other payables (including related parties)	11,983,356	-	-	-
Lease liabilities (including current portion)	64,021	19,749	49,323	358,673
Long-term borrowings	-	34,364,445	4,254,000	-

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>
Accounts payable (including related parties)	\$ 10,135,887	\$ -	\$ -	\$ -
Other payables (including related parties)	10,853,606	-	-	-
Lease liabilities (including current portion)	71,368	54,998	43,877	358,920
Long-term borrowings	-	24,995,000	2,000,000	-

- iii. The Company 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 of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, accounts payable, other payables and long-term borrowings 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>December 31, 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	\$ 25,645	\$ -	\$ 21,819	\$ 47,464
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,254,855</u>	<u>-</u>	<u>149,334</u>	<u>1,404,189</u>
	<u>\$ 1,280,500</u>	<u>\$ 900,000</u>	<u>\$ 171,153</u>	<u>\$ 2,351,653</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	\$ 24,652	\$ -	\$ 18,546	\$ 43,198
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,426,179</u>	<u>-</u>	<u>153,610</u>	<u>1,579,789</u>
	<u>\$ 1,450,831</u>	<u>\$ -</u>	<u>\$ 172,156</u>	<u>\$ 1,622,987</u>

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

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

	<u>Listed shares</u>
Market quoted 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 Company 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 output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company'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 Company'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 parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (e) The Company 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 years ended December 31, 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 years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 172,156	\$ 181,306
Acquired through business combinations	3,273	-
Gains or losses recognised in profit or loss	( 4,276)	( 9,150)
At December 31	<u>\$ 171,153</u>	<u>\$ 172,156</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.

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 December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 171,153	Most recent non-active market price	Not applicable	-	Not applicable
Non-derivative equity instruments:					
Unlisted shares	\$ 172,156	Most recent non-active market price	Not applicable	-	Not applicable

- I. The Company's valuation techniques for the financial assets categorised within Level 3 are based on the most recent non-active market price. Therefore, there are no circumstances in which different valuation models or assumptions may result in different measurement.

### 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: Please refer

to table 5.

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 6.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 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 year ended December 31, 2020.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

Not applicable.

DELTA ELECTRONICS, INC.  
DETAILS OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Summary	Amount	Note
Cash on hand and revolving funds		\$ 2,096	
Demand Deposits		950,272	
Foreign exchange deposits	(USD 15,523 thousand, exchange rate: 28.095)	436,126	
	(JPY 207,486 thousand, exchange rate: 0.2710)	56,229	
	(HKD 8,296 thousand, exchange rate: 3.623)	30,058	
	(EUR 1,366 thousand, exchange rate: 34.42)	47,030	
	(RMB 799 thousand, exchange rate: 4.30245)	3,439	
Checking accounts deposits		<u>970</u>	
		<u>\$ 1,526,220</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF ACCOUNTS RECEIVABLE  
DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
A Company		\$ 2,848,657	
Others (Note 1)		<u>4,061,392</u>	The balance of each customer has not exceeded 5% of the accounts receivable.
		6,910,049	
Less: Allowance for bad debts		( <u>93,456</u> )	
		<u>\$ 6,816,593</u>	

Note 1 : The Company has confidential agreement, therefore, it cannot reveal the name of the above client.

Note 2 : The accounts receivable past due over one year amounted to \$45,462 thousand for which the Company has recognized allowance for doubtful accounts.

DELTA ELECTRONICS, INC.  
DETAILS OF INVENTORIES  
DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount		Note
	Cost	Market value	
Raw materials	\$ 3,202,454	\$ 3,287,496	The net realisable value is the net market value.
Work in progress	501,254	501,254	"
Finished goods	1,733,940	1,972,870	"
Inventory in transit	167,948	167,948	"
	<u>\$ 5,605,596</u>	<u>\$ 5,929,568</u>	

Note : As at December 31, 2020, the amount of loss on market value decline and obsolete and slow-moving inventories is \$1,189,997.

DELTA ELECTRONICS, INC.  
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD  
YEAR ENDED DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Investee	Opening balance		Additions		Reductions		Ending balance			Market price or value per share		For collateralize and pledge	Footnote
	Number of shares (Note)	Amount	Number of shares (Note)	Amount	Number of shares (Note)	Amount	Number of shares (Note)	Ownership (%)	Amount	Price (in NTD)	Total price		
Delta International Holding Limited	67,680	\$ 71,598,502	-	\$ -	-	(\$ 3,298,105)	67,680	100.00	\$ 68,300,397	1,009.17	68,300,397	None	
Cyntec Co., Ltd.	2,341,204	33,929,506	-	-	-	( 1,260,392)	2,341,204	100.00	32,669,114	13.95	32,669,114	"	
Delta Networks Holding Limited	83,800	5,547,216	-	-	-	( 2,435,121)	83,800	100.00	3,112,095	37.14	3,112,095	"	
Delta Electronics Int'l (Singapore) Pte. Ltd.	1,500	24,194,633	43,734	12,080,487	-	-	45,234	100.00	36,275,120	801.94	36,275,120	"	
Delta Electronics (Thailand) Public Company Limited.	69,128	4,588,711	-	-	-	( 18,281)	69,128	5.54	4,570,430	456.65	31,567,061	"	
Allied Material Technology Corp	211,401	1,769,895	-	-	-	( 94,397)	211,401	99.97	1,675,498	7.93	1,675,498	"	
Delta Electronics Capital Company	350,000	3,835,853	-	-	-	( 363,833)	350,000	100.00	3,472,020	9.92	3,472,020	"	
Delta Electronics (Netherlands) B.V.	128,492	10,740,522	-	6,557,570	-	-	128,492	100.00	17,298,092	134.62	17,298,092	"	
PreOptix (Hong Kong) Co. Ltd.	5,250	243,787	-	-	-	( 243,787)	5,250	39.62	-	-	-	"	
DelBio Inc.	21,762	218,817	-	2,917	-	-	21,762	100.00	221,734	10.19	221,734	"	
Delta America Ltd.	2,100	246,704	-	79,099	-	-	2,100	10.26	325,803	155.14	325,803	"	
UNICOM SYSTEM ENG. CORP.	570	453,222	-	-	( 570)	( 453,222)	-	-	-	-	-	"	
Vivotec Inc.	43,404	<u>3,908,920</u>	2,378	-	-	( <u>5,549</u> )	45,782	52.65	<u>3,903,371</u>	90.60	<u>4,147,854</u>	"	
Total		<u>\$ 161,276,288</u>		<u>\$ 18,720,073</u>		<u>(\$ 8,172,687)</u>			<u>\$ 171,823,674</u>		<u>\$ 199,064,788</u>		

Note: Shares in thousands.

DELTA ELECTRONICS, INC.  
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT  
AND ACCUMULATED DEPRECIATION  
YEAR ENDED DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to the Note 6(7) disclosure.

DELTA ELECTRONICS, INC.  
DETAILS OF LONG-TERM BORROWINGS  
DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Creditor</u>	<u>Summary</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Interest Rate</u>	<u>Collateralize or pledge</u>
Mizuho Bank, Ltd. Taipei Branch Sumitomo Mitsui Banking Corporation Taipei Branch	Credit Loans	\$ 12,500,000	2020.07.01~2022.07.01	0.51%~0.56%	None
	"	8,510,000	2020.07.15~2022.07.14	0.55%	"
DBS Bank (Taiwan) Ltd. Nanjing East Road Branch	"	7,068,445	2020.06.29~2022.06.28	0.53%	"
HSBC Bank Limited (Taiwan) Taipei Branch	"	6,286,000	2020.09.01~2022.08.31	0.53%	"
Taishin International Bank Jianpei Branch	"	<u>4,254,000</u>	2020.07.22~2024.09.15	0.31%~0.51%	"
		<u>\$ 38,618,445</u>			

DELTA ELECTRONICS, INC.  
DETAILS OF OPERATING REVENUE  
YEAR ENDED DECEMBER 31, 2020  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Power electronics	\$ 14,102,317	
Automation	7,808,587	
Infrastructure	15,817,470	
Others	<u>352</u>	
Sales revenue	37,728,726	
Service revenue	19,016,837	
Other operating revenue	<u>1,438,574</u>	
Total operating revenue	<u>\$ 58,184,137</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF OPERATING COST  
YEAR ENDED DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Amount
Raw materials at beginning	\$ 2,392,471
Add: Materials purchased for the year	12,464,005
Less: Raw materials at the end	( 3,202,454)
Raw materials in transit	( 9,573)
Cost of raw material sales	( 572,485)
Scrapped raw material	( 52,343)
Transferred to manufacturing or operating expenses	( 139,789)
Direct materials	10,879,832
Direct labor	849,111
Manufacturing expenses	1,848,881
Manufacturing cost for the year	13,577,824
Add: Work in progress at the beginning	317,962
Less: Work in progress at the end	( 501,254)
Cost of finished goods for the year	13,394,532
Add: Finished goods at the beginning	1,805,582
Finished goods purchases for the year	16,484,103
Less: Finished goods at the end	( 1,733,940)
Finished goods in transit	( 158,375)
Scrapped finished goods	( 36,644)
Transferred to manufacturing overheads or operating expenses	( 241,454)
Cost of goods manufactured and sold	29,513,804
Loss on market value decline and obsolete and slow-moving inventories	344,589
Others	( 55,377)
Cost of goods sold	29,803,016
Cost of raw material sales	572,485
Cost of services	4,506,658
Other operating costs	1,353,705
Operating costs	\$ 36,235,864

DELTA ELECTRONICS, INC.  
DETAILS OF MANUFACTURING EXPENSES  
YEAR ENDED DECEMBER 31, 2020  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Salaries and Wages	\$ 742,680	
Depreciation	605,147	
Others	<u>501,054</u>	The balance of each expense account has not exceeded 5% of the manufacturing expense.
Total	<u>\$ 1,848,881</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF SELLING EXPENSES  
YEAR ENDED DECEMBER 31, 2020  
 (Expressed in thousands of New Taiwan dollars)

Items	Amount	Note
Wages and Salaries	\$ 820,517	
Freight	74,520	
Others	<u>207,481</u>	The balance of each expense account has not exceeded 5% of the selling expense.
Total	<u>\$ 1,102,518</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF GENERAL AND ADMINISTRATIVE EXPENSES  
YEAR ENDED DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 1,324,346	
Depreciation	470,170	
Others	<u>942,552</u>	The balance of each expense account has not exceeded 5% of the general and administrative expense.
Total	<u>\$ 2,737,068</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES  
YEAR ENDED DECEMBER 31, 2020  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 8,107,240	
Depreciation	795,439	
Others	<u>3,516,941</u>	The balance of each expense account has not exceeded 5% of the research and development expense.
Total	<u>\$ 12,419,620</u>	

DELTA ELECTRONICS, INC.  
DETAILS OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Function Nature	2020			2019		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salaries and Wages	2,915,170	10,252,103	13,167,273	1,764,698	9,368,540	11,133,238
Labor and Health insurance	176,320	595,660	771,980	136,832	553,330	690,162
Pension	41,886	368,926	410,812	51,948	367,633	419,581
Directors' remuneration (Note C)	-	19,656	19,656	-	29,400	29,400
Others	207,944	264,770	472,714	134,105	229,140	363,245
Depreciation	605,147	1,274,119	1,879,266	575,004	836,953	1,411,957
Amortisation	2,180	445,277	447,457	666	447,996	448,662

Note: A. As at December 31, 2020 and 2019, the number of the Company's employees were 9,710 and 8,762 (excluding of overseas employees), including 6 and 6 non-employee directors, respectively.

B. For the entity that its shares are listed on the Taiwan Stock Exchange or traded in the Taipei Exchange, the following additional disclosures are required:

- (a) The average employee benefit expense for the current year was \$1,527 thousand ('total employee benefit expense for the current year – total directors' remuneration / 'the number of employees in the current year – the number of non-employee directors'). The average employee benefit expense for the previous year was \$1,440 thousand ('total employee benefit expense for the previous year – total directors' remuneration' / 'the number of employees in the previous year – the number of non-employee directors').
- (b) The average employee salaries and wages for the current year was \$1,357 thousand (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors'). The average employee salaries and wages for the previous year was \$1,271 thousand (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors).
- (c) The variation in the adjustments of the average employee salaries and wages was 6.77%. ('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / 'the average employee salaries and wages for the previous year').
- (d) Please refer to Note 6(22)A for the Company's compensation policy.

C. Including directors' compensation of \$29,400 for 2020 and the difference of \$9,744 between the amount resolved at the Board meeting and the amount recognised in the 2019 financial statements.

## Delta Electronics, Inc.

## Loans to others

Year ended December 31, 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 year ended December 31, 2020 (Note 2)	Balance at December 31, 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	\$ 9,552,300	\$ -	\$ -	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,848,529	\$ 28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	2,809,500	2,612,835	1,685,700	0.50%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	17,180,093	17,180,093	17,180,093	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	2,247,600	-	-	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	814,755	814,755	814,755	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
3	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	1,854,270	702,375	702,375	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	13,822,740	2,247,600	2,247,600	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	14,505,449	12,361,800	12,361,800	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	25,791,210	19,104,600	18,177,465	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	34,420	34,420	34,319	1.90%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Delta Solutions (Finland) OY	Other receivables - related parties	Yes	34,420	34,420	34,420	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Eltek Power France SAS	Other receivables - related parties	Yes	86,050	86,050	86,050	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eltek AS	Eltek Electronics (Sweden) AB	Other receivables - related parties	Yes	102,300	102,300	102,300	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5

Table 1-1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 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			
4	Eltek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	\$ 111,936	\$ 111,936	\$ 111,936	0.60%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 2,965,340	\$ 2,965,340	Note 5
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,505,858	1,505,858	1,505,858	4.65%	2	-	Additional operating capital	-	None	-	4,302,399	4,302,399	Note 5
6	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	10,000	-	-	1.34%	2	-	Additional operating capital	-	None	-	20,000	580,013	Note 6
6	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	-	-	1.34%	2	-	Additional operating capital	-	None	-	60,000	580,013	Note 6
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	580,013	Note 6
7	Grandview Holding Ltd.	Cyntec Holding (H.K.) Limited.	Other receivables - related parties	Yes	2,810	-	-	0.50%	2	-	Additional operating capital	-	None	-	7,649,494	7,649,494	Note 5
8	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	426,808	426,808	426,808	0.40%	2	-	Additional operating capital	-	None	-	634,064	634,064	Note 5
9	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,404,750	1,404,750	1,404,750	4.00%	2	-	Additional operating capital	-	None	-	6,438,337	6,438,337	Note 5
10	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	240,940	240,940	206,520	0.40%	2	-	Additional operating capital	-	None	-	1,204,170	1,204,170	Note 5
11	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	215,123	215,123	55,932	3.85%	2	-	Additional operating capital	-	None	-	2,484,671	2,484,671	Note 4

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 December 31, 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.  
Provision of endorsements and guarantees to others  
Year ended December 31, 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 December 31, 2020	Outstanding endorsement / guarantee amount at December 31, 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	4	\$ 2,917,987	\$ 126,428	\$ 126,428	\$126,428	\$ -	0.09%	\$ 7,294,967	N	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 \$145,899,338 thousand (2020/12/31).

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.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 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 December 31, 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 - non-current	55,308,750	\$ 788,150	2.08	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	466,705	5.73	466,705	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000	
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	-	196,798	-	196,798	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	1,369,750	242,446	0.77	242,446	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,306,000	226,591	1.00	226,591	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	466,043	151,930	0.16	151,930	
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	7.51	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	136,690	1.45	136,690	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	121,680	2.99	121,680	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,632,844	-	1,632,844	
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	140,475	10.46	140,475	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	\$ 112,380	19.90	\$ 112,380	
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	-	51,468	-	51,468	
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	33,653	19.79	33,653	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,917	17.52	4,917	
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	-	32,268	15.00	32,268	

Table 3-2

Delta Electronics, Inc.  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Year ended December 31, 2020

Table 4

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

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2020		Addition		Disposal			Balance as at December 31, 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	-	\$ -	67,672,101	\$ 487,499	\$ 1,635,924	(\$ 1,148,425) (Note 1)	55,308,750	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. privately placed convertible bonds	Financial assets at fair value through profit or loss - non-current	Lanner Electronics Inc.	None	-	-	-	900,000	-	-	-	-	-	900,000	
Delta Greentech (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Investments accounted for under the equity method	Delta International Holding Limited	Affiliated enterprise	4,900	362,512	-	82,284 (Note 2)	4,900	367,149	444,796	(Note 3)	-	-	(Note 4)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited common stock and preferred stock	Investments accounted for under the equity method	Natural person	None	-	-	51,495	996,237 (Note 5)	-	-	-	-	51,495	996,237	
ELTEK AS	ELTEK AUSTRALIA PTY LIMITED common stock	Investments accounted for under the equity method	Delta Energy Systems (Singapore) PTE. LTD	Affiliated enterprise	4,461	175,462	-	4,846 (Note 2)	4,461	423,322	180,308	(Note 3)	-	-	(Note 4)
Digital Projection Ltd.	Digital Projection Inc. common stock	Investments accounted for under the equity method	Digital Projection Inc.	Affiliated enterprise	1,000	(473,231)	19,999,000	544,900 (Note 6)	-	-	-	-	20,000,000	71,669	

Note 1: It was retained earnings transferred from other equity.

Note 2: It reflected the movement in the adjustments in the profit (loss) and net value of investments recognised in this period.

Note 3: The transaction resulted from the Group's adjustment in investment structure. There was no gain or loss on disposal pursuant to related ordinances.

Note 4: Only sales transactions are disclosed.

Note 5: In November 2020, Delta Electronics (Netherlands) B.V. increased its investment in Trihedral Engineering Limited amounting to \$1,011,469, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Note 6: In December 2020, Digital Projection Ltd. increased its investment in Digital Projection Inc. amounting to \$562,718, including investment income (loss) recognised during the period and the movement in the adjustments in the carrying amount.

Delta Electronics, Inc.  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Year ended December 31, 2020

Table 5

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

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Delta Electronics, Inc.	Plant 1 in the Central Taiwan Science Park	December 3, 2020	\$ 693,837	In accordance with the contract terms	Lee Ming Construction Co., Ltd. and others	None	-	-	-	\$ -	Price comparison and negotiation	For future business development	None

## Delta Electronics, Inc.

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2020

Table 6

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 Greentech (Brasil) S.A.	DELTA ELECTRONICS BRASIL LTDA.	Affiliated enterprise	Operating revenue	\$ 131,106	20.19	70 days			\$ 1,981	2.02	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,196,623	10.29	70 days			576,341	8.56	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	9,103,476	78.15	70 days			5,822,120	86.50	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	165,121	1.06	70 days			119,733	2.89	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,471,500	9.30	70 days			214,457	18.40	
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,963,898	87.76	70 days			496,424	42.59	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	244,712	0.57	70 days			9,375	0.17	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	6,173,905	14.75	70 days			1,400,555	25.98	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	463,511	1.09	70 days			124,408	2.30	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	34,705,857	82.73	70 days			3,803,462	70.56	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	154,143	0.49	70 days			5,401	0.09	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	13,230,254	44.59	70 days			4,691,510	74.09	

Table 6-1

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	\$ 16,027,965	54.04	70 days			\$ 1,542,068	24.35	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,319,518	42.87	70 days			685,598	85.17	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,720,774	55.92	70 days			118,244	14.68	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	300,171	0.96	70 days			134,066	1.27	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	120,101	0.40	70 days			72,413	0.69	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	50.60	70 days			5,120,100	48.47	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,056,127	6.63	70 days			715,950	6.78	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	940,595	3.03	70 days			298,004	2.82	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	99.46	70 days			1,399,729	99.04	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	243,961	3.13	70 days			71,093	7.02	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	96.81	70 days			933,741	92.23	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	683,329	15.01	70 days			196,733	22.05	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	84.95	70 days			695,534	77.95	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	565,654	22.63	70 days			329,082	59.48	

Table 6-2

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 Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 1,144,339	46.37	70 days			\$ 204	0.04	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	274,264	11.02	70 days			74,187	13.41	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	478,595	19.28	70 days			142,362	25.73	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	1,851,495	29.77	Note 1	Note 1	Note 1	557,170	42.93	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	156,804	2.53	90 days after delivery			69,174	5.32	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	99.92	Note 2	Note 2	Note 2	2,456,871	99.69	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,944,271	87.46	70 days			11,716	15.83	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	152,688	3.28	70 days			38,596	3.14	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,080,930	20.91	70 days			167,141	15.62	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	151,167	3.00	70 days			27,288	3.10	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	298,636	5.83	70 days			-	-	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	100,919	2.04	70 days			19,194	2.18	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	479,943	9.54	70 days			313,941	35.65	

Table 6-3

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 MEA DMCC	Affiliated enterprise	Operating revenue	\$ 163,753	3.15	70 days			\$ 64,408	5.74	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	754,541	14.69	70 days			179,497	16.01	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	121,846	2.40	70 days			53,604	4.78	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	570,160	11.13	70 days			141,395	12.61	
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	488,888	9.50	70 days			60,616	5.40	
ELTEK AS	Eltek SGS Pvt Ltd	Affiliated enterprise	Operating revenue	106,982	2.10	70 days			37,180	3.31	
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	203,083	3.95	70 days			28,322	2.53	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	144,433	2.80	70 days			10,915	0.98	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,657	3.69	70 days			-	-	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	585,708	11.45	70 days			139,520	12.45	
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	120,457	2.36	70 days			3,604	0.32	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	115,195	0.04	70 days			28,123	0.15	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Operating revenue	248,339	0.09	70 days			114,251	0.58	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Operating revenue	153,002	0.07	90 days after delivery			10,082	0.05	

Table 6-4

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.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,494,168	0.63	70 days			\$ 614,114	71.53	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	4.93	70 days			3,616,912	10.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	3.89	70 days			101,461	0.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,716,023	7.36	70 days			799,825	4.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	5.69	70 days			758,912	4.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	1,543,372	0.71	70 days			177,155	0.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	3.15	70 days			612,348	3.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	2.70	70 days			602,729	21.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	2,797,238	1.28	70 days			703,390	43.52	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	267,150	0.12	70 days			62,830	3.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,290,413	0.61	70 days			314,207	4.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	468,306	0.19	70 days			113,288	1.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	188,141	0.06	70 days			56,134	6.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	157,785	0.07	70 days			40,350	5.08	

Table 6-5

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.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	\$ 130,679	0.05	75 days after delivery			\$ 75,472	0.40	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,468,444	0.68	90 days after delivery			475,089	1.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,628,381	1.22	70 days			715,997	1.75	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	264,801	0.12	70 days			44,401	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	129,101	0.06	70 days			15,212	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	2,256,090	1.06	70 days			319,103	10.07	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,319,677	0.63	70 days			501,760	1.47	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	494,488	0.23	70 days			65,459	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,188,577	0.51	70 days			402,154	2.99	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	8.43	70 days			8,098,493	20.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	7.82	90 days after delivery			5,539,825	12.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,188,664	1.01	70 days			506,833	15.81	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Vivitek Corporation	Affiliated enterprise	Operating revenue	153,166	0.06	70 days			27,039	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	1.95	70 days			881,390	16.97	

Table 6-6

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 (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	\$ 425,651	12.61	70 days			\$ 120,321	12.10	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,685,174	50.07	70 days			442,628	22.25	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,179,075	35.06	70 days			397,799	40.01	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	1,826,294	96.23	70 days			140,279	65.92	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	168,686	0.33	70 days			6,726	0.05	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	272,319	0.51	90 days after delivery			92,179	0.72	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	222,212	0.44	70 days			43,718	0.34	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	744,829	1.48	70 days			257,911	0.92	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	195,993	0.34	70 days			38,600	0.30	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	36.87	90 days after delivery			5,907,625	45.84	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,419,169	4.82	70 days			318,874	2.47	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	295,021	0.57	70 days			47,239	0.36	
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	Operating revenue	1,229,688	2.10	70 days			1,203,989	8.43	
Delta Electronics Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	177,540	0.32	70 days			25,380	0.18	

Table 6-7

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.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	\$ 860,995	1.46	70 days			\$ 173,142	1.21	
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	183,948	0.31	70 days			15,933	0.11	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	173,302	0.28	70 days			69,068	0.49	
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,731,227	30.34	70 days			2,922,498	10.41	
Delta Electronics Inc.	Delta Energy Systems (Singapore) PTE. LTD.	Subsidiary	Operating revenue	183,960	0.31	70 days			8,390	0.06	
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	1,685,676	2.87	70 days			337,413	2.37	
Delta Electronics Inc.	DelBio Inc.	Subsidiary	Operating revenue	107,930	0.16	70 days			37,950	0.26	
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	13.40	90 days after delivery			2,305,455	16.15	
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	987,723	1.69	70 days			321,230	2.25	
Delta Electronics Inc.	Digital Projection Inc.	Subsidiary	Operating revenue	124,856	0.22	75 days after delivery			70,871	0.50	
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	490,526	0.83	70 days			104,811	0.74	
DelBio Inc.	Optovue, Inc.	Affiliated enterprise	Operating revenue	112,942	63.19	70 days			25,685	67.53	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	640,243	6.82	70 days			15,307	1.08	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	554,150	6.14	70 days			94,475	6.71	

Table 6-8

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)	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	\$ 497,254	10.30	90 days	(Note 3)	(Note 3)	\$ 110,396	17.70	

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.

Delta Electronics, Inc.  
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more  
December 31, 2020

Table 7

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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	\$ 576,341	2.72	\$ -		\$ -	\$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,822,120	2.46	-		-	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	119,733	2.40	-		9,839	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	214,457	3.74	-		118,241	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	496,424	8.78	-		324,884	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,400,555	3.95	-		468,200	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	124,408	3.78	-		17	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,803,462	9.93	8,028		505,710	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,691,510	3.42	-		1,314,565	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,542,068	9.69	-		-	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	685,598	2.10	-		164,330	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,244	10.08	-		118,244	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	134,066	3.29	-		46,198	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	5,120,100	3.43	2,663		1,407,286	-

Table 7-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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 (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	\$ 715,950	3.23	\$ -		\$ 196,225	\$ -
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	298,004	3.15	-		298,004	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,399,729	4.94	-		972,382	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	933,741	5.31	-		-	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	196,733	3.79	-		132,965	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	695,534	5.27	-		466,377	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	329,082	3.44	-		188,359	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	142,362	4.05	-		92,714	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	165,628	-	-		165,628	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	557,170	3.74	-		182,500	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,456,871	4.95	-		1,457,456	-
Delta Electronics (Japan) Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	167,141	6.41	-		84,982	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	313,941	1.74	148,952		65,782	-
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	179,497	5.66	-		79,429	-
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	141,395	3.42	-		51,816	-
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	139,520	5.23	-		65,117	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	114,251	3.65	-		42,556	-

Table 7-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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 (Switzerland) AG	Affiliated enterprise	\$ 614,114	3.01	\$ -		\$ 365,046	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	3,616,912	4.52	1,174,047		2,567,425	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	101,461	8.69	33,362		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	799,825	14.01	-		799,825	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	758,912	12.08	-		570,047	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	177,155	7.35	-		151,243	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	612,348	6.98	-		612,348	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	602,729	6.48	-		207,522	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	703,390	4.02	431,858		323,091	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	314,207	4.47	-		105,722	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	113,288	4.49	-		41,487	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	475,089	3.51	6,430		120,717	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	715,997	4.03	-		255,166	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	319,103	4.79	-		187,926	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	501,760	3.86	6		385,052	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	402,154	3.98	5,711		241,397	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	8,098,493	2.31	-		2,249,032	-

Table 7-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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.	DEI Logistics (USA) Corp.	Affiliated enterprise	\$ 5,539,825	2.79	\$ 4,448		\$ 1,623,382	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	506,833	3.66	2,890		140,603	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	881,390	6.30	-		453,151	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	120,321	3.21	-		25,880	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	442,628	3.84	-		165,832	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	397,799	3.14	-		185,737	-
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	140,279	14.93	4		140,279	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	257,911	4.80	7,250		46,098	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	5,907,625	3.49	95,508		1,433,699	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	318,874	9.61	1,698		102,389	-
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	1,203,989	2.04	-		1,081,886	-
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	173,142	5.62	4,234		7,148	-
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,420,912	7.64	18,626		2,932,645	-
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	337,413	6.19	30,291		163,826	-
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	2,305,455	3.34	2,638		871,925	-
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	321,230	4.59	-		110,339	-
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	104,811	5.86	-		64,884	-

Table 7-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 815,796	-	\$ -		\$ -	\$ -
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	1,404,750	-	-		-	-
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	128,017	-	-		-	-
Delta International Holding Limited	Drake Investment (HK) Limited	Affiliated enterprise	703,631	-	-		-	-
Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	12,385,356	-	-		-	-
Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	18,209,566	-	-		-	-
Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,251,621	-	-		-	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,545,731	-	-		-	-
ELTEK AS	Eltek Electronics (Sweden) AB	Affiliated enterprise	102,300	-	-		-	-
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	111,977	-	-		-	-
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,686,426	-	-		-	-
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	17,206,927	-	-		-	-
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	206,520	-	-		-	-
Vivotek Inc.	Vatics Inc.	Affiliated enterprise	240,880	-	-		18	-
Vivotek Inc.	Vivotek USA	Affiliated enterprise	110,396	3.78	-		35,877	-
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	426,808	-	-		-	-

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

Note 2: The amount represents collections subsequent to December 31, 2020 up to February 24, 2021.

Table 7-5

Delta Electronics, Inc.  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2020

Table 8

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	\$ 17,731,227	(Note 4)	6.27
0	Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	(Note 5)	2.78
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	9,103,476	(Note 4)	3.22
2	Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,963,898	(Note 4)	4.94
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	6,173,905	(Note 4)	2.18
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	34,705,857	(Note 4)	12.28
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	13,230,254	(Note 4)	4.68
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	16,027,965	(Note 4)	5.67
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	(Note 4)	5.55
6	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	(Note 4)	3.03
7	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	(Note 4)	2.67
8	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	(Note 4)	1.37
9	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	(Note 7)	4.91
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	(Note 4)	3.70
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	(Note 4)	2.97

Table 8-1

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 (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	\$ 15,716,023	(Note 4)	5.56
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	(Note 4)	4.29
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	(Note 4)	2.38
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	(Note 4)	2.06
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	(Note 4)	6.30
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	(Note 5)	5.89
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	(Note 4)	1.47
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	(Note 5)	6.57
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Receivables	3,420,912	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,822,120	(Note 4)	1.73
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,803,462	(Note 4)	1.13
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,691,510	(Note 4)	1.39
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,120,100	(Note 4)	1.52
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	3,616,912	(Note 4)	1.08
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable	8,098,493	(Note 4)	2.41
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,539,825	(Note 5)	1.65
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	5,907,625	(Note 5)	1.76

Table 8-2

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)
12	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 12,385,356	(Note 6)	3.68
13	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	18,209,566	(Note 6)	5.41
14	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	17,206,927	(Note 6)	5.11

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.

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.  
Information on investees  
Year ended December 31, 2020

Table 9

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Maltese	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 68,300,397	\$ 1,076,096	\$ 693,897	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	3,112,095	139,892	164,705	(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	17,298,092	5,699,592	5,721,993	(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	4,570,430	6,621,016	224,882	(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	32,669,114	921,449	938,087	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	221,734	19,910	19,734	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,472,020	( 86,241)	( 86,241)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	36,275,120	14,084,007	14,451,088	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	162,376	-	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	1,675,498	( 94,426)	( 94,398)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	325,803	283,419	66,256	(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	-	-	-	26,958	17,448	(Notes 6 and 22)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	\$ 4,217,016	\$ 4,039,937	45,782,058	52.65	\$ 3,903,371	\$ 250,823	\$ 27,349	(Note 6)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,102,686	12,102,686	191,984,450	15.39	12,292,118	6,621,016	787,634	(Note 13)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	28,095	28,095	1,000,000	100.00	217,082	2,662	2,662	(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	80,322	80,322	5,600	100.00	675,802	99,320	99,319	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	396,883	345,785	46,949,667	100.00	307,262	( 144,747)	( 155,630)	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	42,143	42,143	9,000,000	100.00	111,508	4,968	4,968	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	224,760	-	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	571,576	215,331	10,000	100.00	783,241	275,357	( 7,393)	(Note 1)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,918,605	1,918,605	1,060,624	100.00	2,017,268	237,279	235,036	(Note 1)
Delta International Holding Limited	Eltek AS	Norway	Research, development and sales of power supplies and others	13,967,920	13,967,920	93,531,101	100.00	12,056,903	864,335	10,538	(Note 1)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,107,125	2,107,125	75,000,000	100.00	2,536,140	44,481	44,481	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	102,828	102,828	500,000	100.00	58,177	2,329	2,329	(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	169,975	169,975	2,314,592	100.00	140,273	17,364	17,364	(Note 2)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	-	136,577	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	-	636,980	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,226,316	9,226,316	2,549,297,600	100.00	20,481,149	5,094,590	5,094,590	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,447,661	2,447,661	1	100.00	1,909,542	201,765	80,579	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,835,609	4,835,609	304,504,306	100.00	4,773,625	500,155	334,259	(Note 8)

Table 9-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	\$ 1,450,586	\$ 1,450,586	18,374,182	89.74	\$ 2,327,919	\$ 283,419	\$ 253,478	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	1,039,515	1,039,515	5,190,330	29.50	728,129	( 165,827)	( 64,647)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	157,894	108,447	940,687	100.00	52,996	( 24,164)	( 1,891)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	199,755	199,755	4,315,657	100.00	174,844	48,844	48,844	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	570,851	311,401	87,000,000	100.00	446,667	( 3,023)	( 3,023)	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,745,415	2,769,977	-	100.00	2,746,948	25,666	( 57,154)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	784,712	784,712	12,175,470	100.00	630,119	65,058	28,389	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Software and associated engineering service	993,262	-	51,495	100.00	996,237	( 2,223)	( 8,395)	(Notes 8 and 23)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	212,238	212,238	250,000	100.00	1,280,689	187,577	187,577	(Note 16)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	63,776	63,776	-	100.00	43,887	( 12,133)	( 12,133)	(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	33,614,314	33,614,314	534,479,306	42.85	35,416,137	6,621,016	2,192,991	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	21,164	21,164	11,400,000	100.00	14,664	( 9,380)	( 9,380)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	244,291	6,642	6,642	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	( 17,600)	1,673	1,673	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	58,026	58,026	300,000	100.00	( 57,785)	2,615	2,615	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Consulting service of building management and control solutions	2,280,174	2,280,174	-	100.00	1,541,250	78,044	22,815	(Note 7)
Loy Tec Electronics GmbH	LOYTEC Americas, Inc.	U.S.A.	Consulting service of building management and control solutions	-	280	-	-	-	118	118	(Notes 17 and 21)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	4,996,948	4,996,948	1,196,886,000	100.00	1,946,405	129,431	128,914	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	983,325	983,325	35,000,000	100.00	1,923,419	129,424	129,424	(Note 4)

Table 9-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	\$ 163,085	\$ -	40,526,221	100.00	(\$ 144,974)	(\$ 144,747)	(\$ 144,747)	(Note 19)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	28,848,529	594,135	594,135	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	179,161	24,134,934	100.00	268,711	10,983	( 3,146)	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	8,878,938	8,878,938	264,357,330	100.00	7,007,099	275,054	( 81,767)	(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 charger and data center	193,558	193,558	20,600,000	100.00	97,517	( 6,544)	( 6,544)	(Note 18)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,237,217	5,237,217	146,586,590	100.00	9,187,535	171,923	174,286	(Note 18)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (VIETNAM) COMPANY LIMITED	Vietnam	Sales of electronic products	2,848	-	-	100.00	2,848	-	-	(Notes 18 and 23)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	14,170,694	50.53	( 40,447)	( 91,332)	( 41,855)	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	235,071	36,088	36,088	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	109,463	19,402	18,590	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	11,536	1,063	1,063	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	45,926	38,698	38,698	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	25,493	961	961	(Note 11)
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	304,252	36,140	36,140	(Note 10)
Realwin Investment Inc.	Skywatek INC.	Taiwan	Wholesale of electronic equipment	755	6,211	50,070	1.66	-	( 4,747)	-	(Note 15)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	47,986	2,564	2,564	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	47,820	20,870	11,731	(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	( 9,455)	1,630	1,467	(Note 12)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	2,731	100	51	(Note 12)

Table 9-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 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	1,089,299	3.88	(\$ 1,660)	(\$ 91,332)	(\$ 3,547)	(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%. For the year ended December 31, 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 December 31, 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.

Note 21: This company had been liquidated in September 2020.

Note 22: Merged with the Company in December 2020.

Note 23: Companies were established or acquired through merger during 2020.

Delta Electronics, Inc.  
Information on investments in Mainland China  
Year ended December 31, 2020

Table 10

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 year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 2,747,972	Invested by DHK	\$ 2,163,151	\$ -	\$ -	\$ 2,163,151	\$ 496,708	100.00	\$ 495,219	\$ 3,830,260	\$ 271,398	(Notes 3 and 20)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies	1,182,800	Invested by DHK	665,487	-	-	665,487	319,000	100.00	317,794	2,396,570	377,484	(Notes 6 and 20)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,412,574	Invested by DHK	439,503	-	-	439,503	2,619,096	100.00	2,616,244	7,023,091	-	(Notes 9 and 20)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,764,730	Invested by DHK	480,740	-	-	480,740	258,059	100.00	255,640	4,308,181	-	(Notes 10 and 20)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,769,985	Invested by DHK	120,103	-	-	120,103	113,155	100.00	113,845	1,889,352	-	(Notes 11 and 20)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	1,123,800	Invested by DHK	3,938,883	-	-	3,938,883	820,926	100.00	818,525	3,023,609	-	(Note 20)
Delta Electronics Components (Wujiang) Ltd.	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	3,309,872	Invested by DHK	6,452,263	-	-	6,452,263	797,072	100.00	798,176	6,622,874	49,567	(Notes 7 and 20)
Delta Video Display System (Wujiang) Ltd.	Manufacturing and sales of various projectors	814,755	Invested by DHK	1,338,873	-	-	1,338,873	106,271	100.00	106,011	1,352,872	-	(Notes 8 and 20)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	127,270	Invested by DHK	929,527	-	-	929,527	( 39,535)	100.00	( 39,535)	( 42,666)	-	(Notes 12 and 20)
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	207,903	Invested by DHK	1,065,076	-	-	1,065,076	( 16,605)	100.00	( 16,605)	153,058	-	(Note 20)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	129,074	Invested by DHK	145,945	-	-	145,945	47,926	100.00	47,926	190,883	-	(Note 20)

Table 10-1

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 year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	\$ 215,123	Invested by DHK	\$ 12,850	\$ -	\$ -	\$ 12,850	\$ 4,981	100.00	\$ 4,981	\$ 158,761	\$ -	(Notes 13 and 20)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	236,635	Invested by DHK	237,641	-	-	237,641	( 14,428)	100.00	( 14,428)	202,788	-	(Note 20)
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	5,675,190	Invested by CHK	5,575,801	-	-	5,575,801	560,487	100.00	560,487	7,857,013	-	(Note 22)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	983,325	Invested by DNHK	1,256,025	-	-	1,256,025	136,639	100.00	136,614	1,775,836	618,090	(Notes 5 and 21)
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	63,454	Invested by DNHK	19,667	-	-	19,667	2,381	30.00	714	17,100	-	(Note 21)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	112,380	Invested by DelBio	112,380	-	-	112,380	4,806	100.00	4,788	173,622	-	(Note 23)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	-	Invested by UNICOM	8,429	-	8,429	-	6,274	100.00	6,274	-	51,209	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,712	Invested by DCZ	-	-	-	-	41,938	100.00	3,607	192,114	-	(Note 15)
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 15 and 16)
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.	43,025	Invested by DPEC and DGC	-	-	-	-	303	96.32	303	33,189	-	(Note 15)

Table 10-2

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 year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 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	\$ 430	Invested by DET-SH	\$ -	\$ -	\$ -	\$ -	\$ 757	96.32	\$ 757	\$ 9,033	\$ -	(Note 15)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,345	Invested by Amerlux Lighting Hong Kong Limited	164,999	4,203	-	169,202	22,521	100.00	22,521	41,009	-	(Notes 14 and 24)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,443,792	Invested by Drake-HK, Boom and DGSG	8,591,806	-	-	8,591,806	910,290	95.91	873,068	5,879,516	-	(Notes 4 and 19)
Cyntec Electronics (Wuhu) Co., Ltd.	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique.	28,095	Invested by DHK	-	28,095	-	28,095	( 46,109)	100.00	( 46,109)	( 16,747)	-	(Notes 17 and 20)
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	107,561	Invested by DPT	-	-	-	-	-	40.00	-	12,047	-	(Note 15)

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 6.53 to US\$1 and NTD 4.30245 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2020, remitted or collected this period, accumulated remittance as at December 31, 2020 and investment income remitted back as at December 31, 2020 was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 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. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

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. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

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. Additionally, on September 24, 2020, Delta Electronics Components (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Electronics Components (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

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. Additionally, on September 24, 2020, Delta Video Display System (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Video Display System (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

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: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.

Note 15: 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 16: This company had been liquidated in January 2020.

Note 17: It was established during 2020.

Note 18: The retirement procedure of the investment in Unicom (Nanjing) System Eng. Corp. from UNICOM SYSTEM ENG. CORP. was completed. Except for the share capital of US\$300 thousand retired and the capitalisation of earnings of US\$688 thousand have been remitted back to Taiwan, the capitalisation of earnings of US\$1,134 thousand to be remitted back was also permitted by the Investment Commission.

Note 19: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 20: Invest through Delta Electronics (H.K.) Led.

Note 21: Invest through Delta Networks (H.K.) Led.

Note 22: Invest through Cyntec Holding (H.K.) Limited.

Note 23: Invest through DelBio Inc.

Note 24: Invest through Amerlux Lighting Hong Kong Limited.

Note 25: The company recognised investment income / loss based on the audited financial statement.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 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)	\$ 27,271,975	\$ 27,780,354	\$ -
Cyntec Co., Ltd.	5,575,801	5,575,801	16,358,552
DelBio Inc. (Note 4)	112,380	112,380	133,728

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 28.095 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 December 31, 2020.

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 year ended December 31, 2020 are shown in Table 6 and 7.

Delta Electronics, Inc.  
Major shareholders information  
December 31, 2020

Table 11

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%