

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, 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, 2021 and 2020, 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 2021 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 2021 parent company only financial statements are stated as follows:

Impairment assessment of investments accounted for under equity method

Description

As at December 31, 2021, the recognised goodwill as a result of the investments in Cyntec Co., Ltd., Eltek AS, Delta Controls Inc. and Delta Greentech (China) Co., Ltd. is material. Refer to Note 5 for accounting estimates in the impairment assessment of investments accounted for under the equity method and the uncertainty of assumptions.

As the balance of investments accounted for under the equity method is material, the valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves significant accounting estimates and prediction of future cash flows. Thus, we considered the impairment assessment of investments accounted for under the 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\$24,832,494 thousand and NT\$26,749,245 thousand, constituting 10.15% and 11.87% of total assets as at December 31, 2021 and 2020, respectively, and the comprehensive income recognised from these associates and joint ventures accounted for under the equity method amounted to NT\$2,420,288 thousand and NT\$4,491,467 thousand, constituting 10.40% and 24.03% of the total comprehensive income for the years then ended December 31, 2021 and 2020, 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, 2021 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 \$27.66 to US\$1.00 at December 31, 2021. 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, 2022

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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2020
Current assets				
Cash and cash equivalents	6(1)	\$ 41,833	\$ 1,157,090	\$ 1,526,220
Financial assets at amortised cost – current	8	4,397	121,608	120,968
Contract assets - current	6(18)	160,024	4,426,275	2,322,301
Notes receivable, net	6(4)	742	20,511	34,132
Accounts receivable, net	6(4)	200,449	5,544,419	6,816,593
Accounts receivable - related parties	7	321,028	8,879,653	7,343,305
Other receivables		3,147	87,055	70,900
Other receivables - related parties	7	15,406	426,128	620,947
Inventories	6(5)	256,534	7,095,719	4,415,599
Prepayments		39,135	1,082,471	830,709
Non-current assets held for sale	6(7)	11,589	320,551	-
Other current assets		84	2,330	4,197
Total current assets		<u>1,054,368</u>	<u>29,163,810</u>	<u>24,105,871</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	34,263	947,722	947,464
Financial assets at fair value through other comprehensive income - non-current	6(3)	41,057	1,135,640	1,404,189
Contract assets - non-current	6(18)	14,698	406,546	669,926
Investments accounted for under the equity method	6(6)	6,667,262	184,416,439	171,823,674
Property, plant and equipment	6(7)	902,958	24,975,829	23,201,266
Right-of-use assets	6(8)	15,795	436,902	487,399
Intangible assets	6(9)	68,944	1,907,000	1,338,725
Deferred income tax assets	6(25)	25,802	713,673	676,203
Other non-current assets	6(4)(10)	20,177	558,096	670,244
Total non-current assets		<u>7,790,956</u>	<u>215,497,847</u>	<u>201,219,090</u>
Total assets		<u>\$ 8,845,324</u>	<u>\$ 244,661,657</u>	<u>\$ 225,324,961</u>

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2020
Current liabilities				
Short-term borrowings	6(11)	\$ 50,615	\$ 1,400,000	\$ -
Contract liabilities - current	6(18)	88,766	2,455,259	2,394,670
Accounts payable		155,345	4,296,842	2,918,923
Accounts payable - related parties	7	261,823	7,242,026	8,671,549
Other payables	6(12)	490,837	13,576,568	11,795,315
Other payables - related parties	7	8,020	221,839	188,041
Current income tax liabilities		48,822	1,350,426	850,053
Other current liabilities		13,642	377,331	446,817
Total current liabilities		<u>1,117,870</u>	<u>30,920,291</u>	<u>27,265,368</u>
Non-current liabilities				
Long-term borrowings	6(13)	1,565,574	43,303,780	38,618,445
Deferred income tax liabilities	6(25)	431,704	11,940,925	10,764,819
Lease liabilities - non-current		14,997	414,829	427,745
Other non-current liabilities	6(14)	119,137	3,295,310	2,349,246
Total non-current liabilities		<u>2,131,412</u>	<u>58,954,844</u>	<u>52,160,255</u>
Total liabilities		<u>3,249,282</u>	<u>89,875,135</u>	<u>79,425,623</u>
Equity				
Share capital				
Common stock	6(15)	939,098	25,975,433	25,975,433
Capital surplus				
Capital surplus	6(16)	1,775,638	49,114,151	49,202,505
Retained earnings				
Legal reserve	6(17)	1,073,671	29,697,752	27,342,534
Special reserve		453,478	12,543,208	7,622,034
Unappropriated retained earnings		1,938,637	53,622,701	48,300,040
Other equity interest				
Other equity interest		(584,480)	(16,166,723)	(12,543,208)
Total equity		<u>5,596,042</u>	<u>154,786,522</u>	<u>145,899,338</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		<u>\$ 8,845,324</u>	<u>\$ 244,661,657</u>	<u>\$ 225,324,961</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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2021	2020
Operating revenue	6(18) and 7	\$ 2,419,419	\$ 66,921,116	\$ 58,184,137	
Operating costs	6(5)(23) (24)and 7	(1,484,781)	(41,069,033)	(36,235,864)	
Gross profit		934,638	25,852,083	21,948,273	
Operating expenses	6(23)(24)				
Selling expenses		(40,170)	(1,111,092)	(1,102,518)	
General and administrative expenses		(108,113)	(2,990,395)	(2,737,068)	
Research and development expenses		(479,224)	(13,255,339)	(12,419,620)	
Expected credit impairment gain (loss)	12(2)	2,563	70,884	16,770)	
Total operating expenses		(624,944)	(17,285,942)	(16,275,976)	
Operating profit		309,694	8,566,141	5,672,297	
Non-operating income and expenses					
Interest income	6(19)	116	3,200	6,772	
Other income	6(20)	35,835	991,186	1,008,901	
Other gains and losses	6(21)	(1,254)	(34,675)	(96,221)	
Finance costs	6(22)	(7,618)	(210,706)	(185,695)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	752,169	20,804,995	22,144,854	
Total non-operating income and expenses		779,248	21,554,000	22,878,611	
Profit before income tax		1,088,942	30,120,141	28,550,908	
Income tax expense	6(25)	(120,168)	(3,323,839)	(3,065,677)	
Profit for the year		\$ 968,774	\$ 26,796,302	\$ 25,485,231	
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	6(14)	(\$ 169)	(\$ 4,685)	(\$ 69,191)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	(10,241)	(283,259)	326,268	
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		(1,673)	(46,271)	(64,561)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	34	937	13,838	
Other comprehensive income (loss) that will not be reclassified to profit or loss		(12,049)	(333,278)	206,354	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(83,244)	(2,302,537)	(8,289,061)	
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		(39,887)	(1,103,262)	811,276	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(25)	7,404	204,793	476,157	
Other comprehensive income (loss) that will be reclassified to profit or loss		(115,727)	(3,201,006)	(7,001,628)	
Other comprehensive income (loss) for the year		(\$ 127,776)	(\$ 3,534,284)	(\$ 6,795,274)	
Total comprehensive income for the year		\$ 840,998	\$ 23,262,018	\$ 18,689,957	
Earnings per share					
Basic earnings per share	6(26)	\$ 0.37	\$ 10.32	\$ 9.81	
Diluted earnings per share	6(26)	\$ 0.37	\$ 10.27	\$ 9.77	

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, 2021 AND 2020
(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 New Taiwan Dollars</u>										
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877
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)
Total comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957
Distribution of 2019 earnings	6(17)									
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		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 353,844)	\$ 130,616	\$ 145,899,338
<u>2021 New Taiwan Dollars</u>										
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 353,844)	\$ 130,616	\$ 145,899,338
Profit for the year		-	-	-	-	26,796,302	-	-	-	26,796,302
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	23,262,018
Distribution of 2020 earnings	6(17)									
Legal reserve		-	-	2,355,218	-	(2,355,218)	-	-	-	-
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-	-
Cash dividends		-	-	-	-	(14,286,480)	-	-	-	(14,286,480)
Changes in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	-	(110,388)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,034	-	-	-	-	-	-	22,034
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	(\$ 15,520,287)	(\$ 776,353)	\$ 129,917	\$ 154,786,522

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DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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>2021 US Dollars</u>										
Balance at January 1, 2021		\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	(\$ 445,407)	(\$ 12,793)	\$ 4,722	\$ 5,274,741
Profit for the year		-	-	-	-	968,774	-	-	-	968,774
Other comprehensive income (loss) for the year		-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)
Total comprehensive income (loss) for the year		-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998
Distribution of 2020 earnings	6(17)									
Legal reserve		-	-	85,149	-	(85,149)	-	-	-	-
Special reserve		-	-	-	177,917	(177,917)	-	-	-	-
Cash dividends		-	-	-	-	(516,503)	-	-	-	(516,503)
Changes in ownership interests in subsidiaries		-	(3,991)	-	-	-	-	-	-	(3,991)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	797	-	-	-	-	-	-	797
Balance at December 31, 2021		\$ 939,098	\$ 1,775,638	\$ 1,073,671	\$ 453,478	\$ 1,938,637	(\$ 561,109)	(\$ 28,068)	\$ 4,697	\$ 5,596,042

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, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax for the year		\$ 1,088,942	\$ 30,120,141	\$ 28,550,908	
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(7)(8)(23)	66,591	1,841,913	1,879,266	
Amortisation	6(9)(23)	21,844	604,213	447,457	
Expected credit impairment (gain) loss	12(2)	(2,563)	(70,884)	(16,770)	
Interest expense	6(22)	7,618	210,706	185,695	
Interest income	6(19)	(116)	(3,200)	(6,772)	
Dividend income	6(20)	(2,250)	(62,230)	(44,420)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	(752,169)	(20,804,995)	(22,144,854)	
Net gain on financial assets at fair value through profit or loss	6(2)(21)	(1,153)	(31,884)	(993)	
Gain on disposal of property, plant and equipment	6(21)	(21)	(573)	(1,908)	
Loss on disposal of investments	6(21)	-	-	21,946	
Loss on right-of-use assets surrender in advance		3	74	-	
Changes in assets/liabilities relating to operating activities					
Net changes in assets relating to operating activities					
Contract assets		(66,544)	(1,840,594)	(2,237,232)	
Notes receivable		492	13,621	29,361	
Accounts receivable		(48,916)	(1,353,019)	(2,374,353)	
Accounts receivable - related parties		(55,543)	(1,536,348)	(2,384,000)	
Overdue receivables		(360)	(9,961)	-	
Other receivables		(739)	(20,428)	(5,441)	
Other receivables - related parties		7,044	194,819	164,564	
Inventories		(96,894)	(2,680,120)	(836,728)	
Prepayments		(9,102)	(251,762)	(240,207)	
Other current assets		67	1,867	45,326	
Other non-current assets		2,163	59,831	69,656	
Net changes in liabilities relating to operating activities					
Contract liabilities		2,190	60,589	2,297,050	
Accounts payable		49,816	1,377,919	507,054	
Accounts payable - related parties		(51,682)	(1,429,523)	(945,624)	
Other payables		64,388	1,780,912	1,220,256	
Other payables - related parties		1,222	33,798	(100,753)	
Other current liabilities		(1,227)	(33,926)	(161,461)	
Other non-current liabilities		445	12,322	(292,320)	
Cash inflow generated from operations		321,378	8,889,316	5,711,659	
Interest received		90	2,481	6,624	
Dividends received		173,019	4,785,730	3,686,138	
Interest paid		(7,605)	(210,365)	(175,648)	
Income taxes paid		(52,311)	(1,446,926)	(1,047,904)	
Net cash flows from operating activities		434,571	12,020,236	8,180,869	

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF DOLLARS)

	<u>Notes</u>	<u>US Dollars</u> <u>2021</u>	<u>New Taiwan Dollars</u>	
			<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Decrease in financial assets at amortised cost		\$ 989	\$ 27,360	\$ -
Acquisition of financial assets at fair value through profit or loss	6(2)	-	-	(900,000)
Proceeds from capital withdrawal from liquidation of financial assets at fair value through profit or loss		1,143	31,626	-
Acquisition of financial assets at fair value through other comprehensive income		(532)	(14,710)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	-	501,867
Acquisition of investments accounted for under the equity method		(5,218)	(144,336)	(177,078)
Proceeds from capital reduction of investments accounted for under the equity method		-	-	233,452
Acquisition of property, plant and equipment	6(7)	(140,146)	(3,876,435)	(5,216,193)
Proceeds from disposal of property, plant and equipment		422	11,673	13,364
Acquisition of intangible assets	6(9)	(42,389)	(1,172,488)	(362,139)
Cash inflow due to business combinations	6(27)	-	-	23,384
Decrease in other non-current assets		561	15,517	28,914
Net cash flows used in investing activities		<u>(185,170)</u>	<u>(5,121,793)</u>	<u>(5,854,429)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase in short-term borrowings	6(28)	50,615	1,400,000	-
Proceeds from long-term borrowings	6(28)	1,448,555	40,067,024	65,941,443
Repayment of long-term borrowings	6(28)	(1,279,164)	(35,381,689)	(54,317,998)
Lease principal repayment		(2,522)	(69,745)	(81,084)
Cash dividends paid	6(17)	(516,503)	(14,286,480)	(12,987,717)
Increase in refundable deposit		36,273	1,003,317	-
Net cash flows used in financing activities		<u>(262,746)</u>	<u>(7,267,573)</u>	<u>(1,445,356)</u>
Net (decrease) increase in cash and cash equivalents		(13,345)	(369,130)	881,084
Cash and cash equivalents at beginning of year		55,178	1,526,220	645,136
Cash and cash equivalents at end of year		<u>\$ 41,833</u>	<u>\$ 1,157,090</u>	<u>\$ 1,526,220</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
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
 (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, 2022.

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 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
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond June 30, 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 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 2022 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 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.

(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 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 IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	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 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) 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.

(9) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost 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.

(10) 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.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

(12) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered

highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) 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 arising from a short-form merger with the subsidiary is recognised 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.

(18) 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.

(19) 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.

(20) 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.

(21) Derecognition of financial liabilities

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

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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.

(27) 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 is 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 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.

(28) 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 investments accounted for using equity method

The Company assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered.

The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 1,959	\$ 2,096
Checking accounts and demand deposits	<u>1,155,131</u>	<u>1,524,124</u>
	<u>\$ 1,157,090</u>	<u>\$ 1,526,220</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, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	17,010	48,636
Hybrid instrument-convertible bonds	<u>900,000</u>	<u>900,000</u>
	947,853	979,479
Valuation adjustment	(<u>131</u>)	(<u>32,015</u>)
	<u>\$ 947,722</u>	<u>\$ 947,464</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:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	<u>\$ 31,884</u>	<u>\$ 993</u>

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, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	<u>164,044</u>	<u>149,334</u>
	1,772,743	1,758,033
Valuation adjustment	(<u>637,103</u>)	(<u>353,844</u>)
	<u>\$ 1,135,640</u>	<u>\$ 1,404,189</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 \$1,135,640 and \$1,404,189 as at December 31, 2021 and 2020, respectively.
- B. For the year ended December 31, 2021, the Company did not dispose any stock investments. For the year ended December 31, 2020, the Company sold listed stocks and convertible bonds at fair value of \$501,867, to adjust the stock position, resulting to a loss on disposal of \$1,754,186.
- 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,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(<u>\$ 283,259</u>)	\$ <u>326,268</u>
Cumulative loss reclassified to retained earnings due to derecognition	<u>\$ -</u>	(<u>\$ 1,754,186</u>)

- D. As at December 31, 2021 and 2020, 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 \$1,135,640 and \$1,404,189, 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, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 20,511	\$ 34,132
Accounts receivable	\$ 5,557,030	\$ 6,910,049
Less: Allowance for uncollectible accounts	(12,611)	(93,456)
	<u>\$ 5,544,419</u>	<u>\$ 6,816,593</u>
Overdue receivables (shown as other non-current assets)	\$ 10,946	\$ 998
Less: Allowance for uncollectible accounts	(10,946)	(998)
	<u>\$ 5,544,419</u>	<u>\$ 6,816,593</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 5,284,138	\$ 6,532,859
1 to 90 days	253,937	150,280
91 to 180 days	8,781	174,170
181 to 365 days	5,429	7,278
Over 366 days	4,745	45,462
	<u>\$ 5,557,030</u>	<u>\$ 6,910,049</u>

The above aging analysis was based on past due date.

B. As at December 31, 2021 and 2020, there was no notes receivable past due.

C. As at December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2020, the balance of receivables from contracts with customers amounted to \$4,510,841.

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

E. As at December 31, 2021 and 2020, 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 \$20,511 and \$34,132, and accounts receivable were \$5,544,419 and \$6,816,593, respectively.

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

(5) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,643,756	(\$ 1,032,259)	\$ 4,611,497
Work in process	611,928	-	611,928
Finished goods	2,167,497	(416,468)	1,751,029
Inventory in transit	121,265	-	121,265
	<u>\$ 8,544,446</u>	<u>(\$ 1,448,727)</u>	<u>\$ 7,095,719</u>

	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>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 34,546,808	\$ 30,086,289
Loss on market value decline and obsolete and slow-moving inventories	369,426	344,589
Others	(65,311)	(55,377)
	<u>\$ 34,850,923</u>	<u>\$ 30,375,501</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, 2021		December 31, 2020	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta International Holding Limited B.V. (DIH)	100.00	\$ 67,930,550	100.00	\$ 68,300,397
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	43,913,221	100.00	36,275,120
Cyntec Co., Ltd. (Cyntec)	100.00	32,778,207	100.00	32,669,114
Delta Electronics (Netherlands) B.V. (DEN)	100.00	23,258,370	100.00	17,298,092
Delta Electronics (Thailand) Public Company Limited (DET)	5.54	4,473,063	5.54	4,570,430
Vivotek Inc. (Vivo)	55.09	4,110,543	52.65	3,903,371
Delta Electronics Capital Company (DECC)	100.00	4,024,563	100.00	3,472,020
Delta Networks Holding Limited (DNH)	100.00	1,839,478	100.00	3,112,095
Allied Material Technology Corp. (AMT)	99.97	1,585,464	99.97	1,675,498
Delta America Ltd. (DAL)	10.26	285,784	10.26	325,803
DelBio Inc. (DelBio)	100.00	208,627	100.00	221,734
Chunghwa SEA Holdings	44.00	8,569	-	-
		<u>\$ 184,416,439</u>		<u>\$ 171,823,674</u>

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

Investee	2021	2020
DEIL-SG	\$ 12,035,873	\$ 14,451,088
DIH	1,236,811	693,897
CYNTTEC	964,114	938,087
DNH	61,931	164,705
DECC	552,543	(86,241)
DEN	5,733,781	5,721,993
DET	287,690	224,882
Others	(67,748)	36,443
	<u>\$ 20,804,995</u>	<u>\$ 22,144,854</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 2021 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, 2021</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>
<u>2021</u>							
Opening net book amount	\$ 10,247,505	\$ 5,827,665	\$ 955,075	\$ 1,142,349	\$ 410,173	\$ 4,618,499	\$ 23,201,266
Additions	-	74,980	412,404	418,523	201,345	2,769,183	3,876,435
Disposals	-	(230)	(10,623)	(7)	(240)	-	(11,100)
Transfers (Note)	-	6,255,660	47,574	71,318	51,801	(6,746,904)	(320,551)
Depreciation charge	-	(319,304)	(414,978)	(709,075)	(326,864)	-	(1,770,221)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>
<u>At December 31, 2021</u>							
Cost	\$ 10,247,505	\$ 14,845,685	\$ 3,205,914	\$ 4,992,913	\$ 2,824,924	\$ 640,778	\$ 36,757,719
Accumulated depreciation and impairment	-	(3,006,914)	(2,216,462)	(4,069,805)	(2,488,709)	-	(11,781,890)
	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>

Note: On October 1, 2021, the Board of Directors of the Company resolved to dispose a number of battery cell assembly equipment and transfer the equipment recognised amounting to \$320,551 to non-current assets held for sale at the lower of carrying amount and fair value less costs to sell.

	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
Disposals	-	-	(7,453)	(4,002)	(1)	-	(11,456)
Transfers	-	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>

A. The Company's property, plant and equipment are mainly owner-occupied.

B. No interest expense was capitalised on property, plant and equipment.

(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, 2021</u>	<u>December 31, 2020</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 412,047	\$ 428,708
Buildings and structures	21,705	54,503
Transportation equipment	3,150	4,167
Other equipment	-	21
	<u>\$ 436,902</u>	<u>\$ 487,399</u>

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 16,642	\$ 16,587
Buildings and structures	52,487	62,056
Transportation equipment	2,542	2,933
Other equipment	21	430
	<u>\$ 71,692</u>	<u>\$ 82,006</u>

- C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$21,269 and \$43,687, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,389	\$ 6,029
Expense on short-term lease contracts	<u>\$ 54,827</u>	<u>\$ 52,539</u>

- E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases was \$129,961 and \$139,652, 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, 2021</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,163	\$ 137,532	\$ 409,645	\$ 1,708,453	\$ 2,668,793
Accumulated amortisation and impairment	(26,340)	(84,856)	-	(1,218,872)	(1,330,068)
	<u>\$ 386,823</u>	<u>\$ 52,676</u>	<u>\$ 409,645</u>	<u>\$ 489,581</u>	<u>\$ 1,338,725</u>
<u>2021</u>					
Opening net book amount	\$ 386,823	\$ 52,676	\$ 409,645	\$ 489,581	\$ 1,338,725
Additions	-	11,137	-	1,161,351	1,172,488
Amortisation	-	(18,893)	-	(585,320)	(604,213)
Closing net book amount	<u>\$ 386,823</u>	<u>\$ 44,920</u>	<u>\$ 409,645</u>	<u>\$ 1,065,612</u>	<u>\$ 1,907,000</u>
<u>At December 31, 2021</u>					
Cost	\$ 413,163	\$ 148,669	\$ 409,645	\$ 2,869,804	\$ 3,841,281
Accumulated amortisation and impairment	(26,340)	(103,749)	-	(1,804,192)	(1,934,281)
	<u>\$ 386,823</u>	<u>\$ 44,920</u>	<u>\$ 409,645</u>	<u>\$ 1,065,612</u>	<u>\$ 1,907,000</u>
<u>At January 1, 2020</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 413,163	\$ 127,043	\$ 6,287	\$ 1,336,905	\$ 1,883,398
Accumulated amortisation and impairment	(23,322)	(60,007)	-	(791,488)	(874,817)
	<u>\$ 389,841</u>	<u>\$ 67,036</u>	<u>\$ 6,287</u>	<u>\$ 545,417</u>	<u>\$ 1,008,581</u>
<u>2020</u>					
Opening net book amount	\$ 389,841	\$ 67,036	\$ 6,287	\$ 545,417	\$ 1,008,581
Additions	-	10,489	-	351,650	362,139
Acquired through business combinations	-	-	403,358	12,104	415,462
Amortisation	(3,018)	(24,849)	-	(419,590)	(447,457)
Closing net book amount	<u>\$ 386,823</u>	<u>\$ 52,676</u>	<u>\$ 409,645</u>	<u>\$ 489,581</u>	<u>\$ 1,338,725</u>
<u>At December 31, 2020</u>					
Cost	\$ 413,163	\$ 137,532	\$ 409,645	\$ 1,708,453	\$ 2,668,793
Accumulated amortisation and impairment	(26,340)	(84,856)	-	(1,218,872)	(1,330,068)
	<u>\$ 386,823</u>	<u>\$ 52,676</u>	<u>\$ 409,645</u>	<u>\$ 489,581</u>	<u>\$ 1,338,725</u>

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

	Years ended December 31,	
	2021	2020
Operating costs	\$ 1,835	\$ 2,180
Selling expenses	427	3,629
Administrative expenses	162,808	124,555
Research and development expenses	439,143	317,093
	<u>\$ 604,213</u>	<u>\$ 447,457</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, 2021	December 31, 2020
Goodwill:		
MES and others	<u>\$ 409,645</u>	<u>\$ 409,645</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, 2021	December 31, 2020
Prepayments for business facilities	\$ 352,508	\$ 347,541
Cash surrender value of life insurance	35,934	43,512
Guarantee deposits paid	32,549	45,455
Financial assets at amortised cost - non-current	112,000	140,000
Others	25,105	93,736
	<u>\$ 558,096</u>	<u>\$ 670,244</u>

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank loans	\$ 1,400,000	\$ -
Credit lines	\$ 1,853,389	\$ 2,461,085
Interest rate	0.50%	-

(12) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salary and bonus payable	\$ 10,231,550	\$ 9,025,577
Others	3,345,018	2,769,738
	<u>\$ 13,576,568</u>	<u>\$ 11,795,315</u>

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Credit loans	\$ 43,303,780	\$ 38,618,445
Credit lines	\$ 61,902,079	\$ 61,523,630
Interest rate range	0.31%~0.58%	0.31%~0.56%

As at December 31, 2021, the revolving loans of \$37,354,080 can be drawn down during the period from July 1, 2021 to December 7, 2023 and are payable before the due date under the agreement.

(14) 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, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 3,472,042)	(\$ 3,584,648)
Fair value of plan assets	<u>2,038,970</u>	<u>1,959,017</u>
Net defined benefit liability	<u>(\$ 1,433,072)</u>	<u>(\$ 1,625,631)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2021			
Balance at January 1	(\$ 3,584,648)	\$ 1,959,017	(\$ 1,625,631)
Current service cost	(26,987)	-	(26,987)
Interest (expense) income	(10,619)	<u>5,800</u>	(4,819)
	<u>(3,622,254)</u>	<u>1,964,817</u>	<u>(1,657,437)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	29,022	29,022
Change in financial assumptions	141,373	-	141,373
Change in demographic assumptions	(11,467)	-	(11,467)
Experience adjustments	(163,613)	-	(163,613)
	<u>(33,707)</u>	<u>29,022</u>	<u>(4,685)</u>
Pension fund contribution	-	191,792	191,792
Paid pension	183,919	(146,661)	37,258
Effect of business combination	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31	<u>(\$ 3,472,042)</u>	<u>\$ 2,038,970</u>	<u>(\$ 1,433,072)</u>

	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>

(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, 2021 and 2020 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,	
	2021	2020
Discount rate	0.7%	0.3%
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:

	<u>Discount rate</u>		<u>Future salary increases rate</u>	
	<u>Increase</u> <u>0.25%</u>	<u>Decrease</u> <u>0.25%</u>	<u>Increase</u> <u>0.25%</u>	<u>Decrease</u> <u>0.25%</u>
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	<u>(\$ 85,387)</u>	<u>\$ 88,585</u>	<u>\$ 84,709</u>	<u>(\$ 82,119)</u>
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	<u>(\$ 93,281)</u>	<u>\$ 96,919</u>	<u>\$ 92,145</u>	<u>(\$ 89,211)</u>

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, 2022 amount to \$39,585.
- (g) As at December 31, 2021, 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, 2021 and 2020 were \$408,253 and \$372,375, respectively.

(15) 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, 2021, 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, 2021, there were 780 thousand units outstanding, representing 3,902 thousand common shares of the Company's common stock.

(16) 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.

(17) 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 2020 and 2019 earnings had been approved by the shareholders during their meeting on July 19, 2021 and June 10, 2020, respectively. Details are summarised below:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,355,218		\$ 2,311,780	
Special reserve appropriated	4,921,174		61,002	
Cash dividends (Note)	14,286,488	\$ 5.5	12,987,717	\$ 5.0

Note: The cash dividends that is less than \$1 will be reversed to unappropriated retained earnings in accordance with the resolution of the shareholders during their meeting.

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 2021 earnings had been proposed by the Board of Directors on February 24, 2022. Details are summarised below:

	Year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 2,688,553	
Appropriation for special reserve	3,623,514	
Cash dividends	14,286,488	\$ 5.5

As at February 24, 2022, the abovementioned 2021 earnings appropriation has not yet been approved by the stockholders.

(18) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	\$ 66,921,116	\$ 58,184,137

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, 2021				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 17,780,071	\$ 10,627,486	\$ 20,472,447	\$ 18,041,112	\$ 66,921,116
Timing of revenue recognition					
At a point in time	15,641,617	8,129,457	17,731,899	49,286	41,552,259
Over time	2,138,454	2,498,029	2,740,548	17,991,826	25,368,857
	\$ 17,780,071	\$ 10,627,486	\$ 20,472,447	\$ 18,041,112	\$ 66,921,116
	Year ended December 31, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 15,385,449	\$ 8,784,141	\$ 16,819,241	\$ 17,195,306	\$ 58,184,137
Timing of revenue recognition					
At a point in time	14,134,366	5,373,495	14,597,545	12	34,105,418
Over time	1,251,083	3,410,646	2,221,696	17,195,294	24,078,719
	\$ 15,385,449	\$ 8,784,141	\$ 16,819,241	\$ 17,195,306	\$ 58,184,137

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,	
	2021	2020
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.	\$ 2,394,670	\$ 464,306

(19) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 3,200	\$ 6,772

(20) Other income

	Years ended December 31,	
	2021	2020
Sample sales income	\$ 230,503	\$ 214,079
Testing fee income	84,857	103,763
Dividend income	62,230	44,420
Rental income	33,501	26,856
Mold fee income	15,467	30,054
Others	564,628	589,729
	<u>\$ 991,186</u>	<u>\$ 1,008,901</u>

(21) Other gains and losses

	Years ended December 31,	
	2021	2020
Gain on disposal of property, plant and equipment	\$ 573	\$ 1,908
Loss on disposal of investments	-	(21,946)
Net currency exchange gain (loss)	34,614	(23,167)
Gain on financial assets at fair value through profit or loss	31,884	993
Miscellaneous expenses	(101,746)	(54,009)
	<u>(\$ 34,675)</u>	<u>(\$ 96,221)</u>

(22) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	\$ 210,706	\$ 185,695

(23) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 15,896,855	\$ 14,842,435
Depreciation charges on property, plant and equipment	1,770,221	1,797,260
Depreciation charges on right-of-use assets	71,692	82,006
Amortisation charges on intangible assets	604,213	447,457
	<u>\$ 18,342,981</u>	<u>\$ 17,169,158</u>

(24) Employee benefit expense

	Years ended December 31,	
	2021	2020
Post-employment benefits		
Defined contribution plan	\$ 408,253	\$ 372,375
Defined benefit plan	31,806	38,437
	<u>440,059</u>	<u>410,812</u>
Other employee benefits	15,456,796	14,431,623
	<u>\$ 15,896,855</u>	<u>\$ 14,842,435</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% based on 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, 2021 and 2020, employees' compensation was accrued at \$2,545,649 and \$2,421,097, respectively; while directors' remuneration was accrued at \$44,200 and \$29,400, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2021, 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 \$2,545,649 and directors' remuneration of \$44,600 for 2021 were resolved by the Board of Directors on February 24, 2022.

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. Employees' compensation and directors' remuneration as resolved by the Board of Directors were in agreement with the amounts recognised in the 2020 financial statements.

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.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 1,952,291	\$ 1,169,836
Tax on undistributed surplus earnings	-	223,734
Total current tax	<u>1,952,291</u>	<u>1,393,570</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,371,548</u>	<u>1,672,107</u>
Income tax expense	<u>\$ 3,323,839</u>	<u>\$ 3,065,677</u>

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

	Years ended December 31,	
	2021	2020
Remeasurement of defined benefit plan	(\$ 937)	(\$ 13,838)
Gain or loss on hedging instruments	(78)	(1,849)
Currency translation differences	(204,715)	(474,308)
	<u>(\$ 205,730)</u>	<u>(\$ 489,995)</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 6,024,028	\$ 5,710,182
Effects from items adjusted in accordance with tax regulations	(1,914,487)	(2,184,955)
Effect from investment tax credits	(785,702)	(683,284)
Tax on undistributed surplus earnings	-	223,734
	<u>\$ 3,323,839</u>	<u>\$ 3,065,677</u>

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

	2021				
	<u>January 1</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	\$ 191,519	\$ 51,607	\$ -	\$ -	\$ 243,126
Pension liability	320,975	(39,449)	937	-	282,463
Assets impairment	12,511	(5,940)	-	-	6,571
Others	151,198	30,315	-	-	181,513
	<u>676,203</u>	<u>36,533</u>	<u>937</u>	<u>-</u>	<u>713,673</u>
Deferred tax liabilities:					
- Temporary differences:					
Land value increment tax	(119,862)	-	-	-	(119,862)
Long-term equity investments	(10,411,074)	(1,226,086)	204,793	27,182	(11,405,185)
Others	(233,883)	(181,995)	-	-	(415,878)
	<u>(10,764,819)</u>	<u>(1,408,081)</u>	<u>204,793</u>	<u>27,182</u>	<u>(11,940,925)</u>
	<u>(\$ 10,088,616)</u>	<u>(\$ 1,371,548)</u>	<u>\$ 205,730</u>	<u>\$ 27,182</u>	<u>(\$ 11,227,252)</u>

	2020					
	Acquired through business combinations	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31	
	January 1					
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	<u>126,948</u>	<u>4,064</u>	<u>20,186</u>	<u>-</u>	<u>-</u>	<u>151,198</u>
	<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:						
- Temporary differences:						
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	<u>(106,615)</u>	<u>-</u>	<u>(127,268)</u>	<u>-</u>	<u>-</u>	<u>(233,883)</u>
	<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>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2021 and 2020, the amounts of temporary differences unrecognised as deferred tax liabilities were \$8,265,696 and \$7,562,423, respectively.

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority, except for the income tax return of 2018 which is still pending for assessment and approval.

(26) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of</u>	<u>per share</u>
		<u>ordinary shares</u>	<u>(in dollars)</u>
		<u>outstanding</u>	
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,796,302	2,597,543	\$ 10.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 26,796,302	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	10,461	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 26,796,302	2,608,004	\$ 10.27

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

(27) Business combinations

A. The Company has no business combinations for the year ended December 31, 2021. Business combinations of the Company for the year ended December 31, 2020 are as follows:

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. 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>

(28) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2021	\$ -	\$ 38,618,445	\$ 38,618,445
Changes in cash flow from financing activities	<u>1,400,000</u>	<u>4,685,335</u>	<u>6,085,335</u>
At December 31, 2021	<u>\$ 1,400,000</u>	<u>\$ 43,303,780</u>	<u>\$ 44,703,780</u>
			<u>Long-term borrowings</u>
At January 1, 2020			\$ 26,995,000
Changes in cash flow from financing activities			<u>11,623,445</u>
At December 31, 2020			<u>\$ 38,618,445</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Company
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.	"
Digital Projection Ltd.	It was an associate before January 6, 2020, and has been a subsidiary since January 6, 2020
Digital Projection Inc.	"
Digital Projection Asia Pte Ltd.	Associate
Delta Networks (Xiamen) Ltd.	"
Bruce Cheng	Director of the Company

(2) Significant transactions and balances with related parties

A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
Subsidiaries		
ALI	\$ 8,247,436	\$ 7,857,459
Others	3,416,952	4,117,054
Associates	4,698	-
Director of the Company	3,719	21,905
	<u>\$ 11,672,805</u>	<u>\$ 11,996,418</u>
	Years ended December 31,	
	2021	2020
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 16,839,802	\$ 16,076,400
Others	5,075,432	4,013,029
	<u>\$ 21,915,234</u>	<u>\$ 20,089,429</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,	
	2021	2020
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 18,732,917	\$ 17,708,985
Others	331,374	305,440
Associates	18,288	-
Purchases of services and others:		
Subsidiaries		
Cyntec	2,048,473	1,844,949
	<u>\$ 21,131,052</u>	<u>\$ 19,859,374</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

	December 31, 2021	December 31, 2020
Receivables from related parties:		
Subsidiaries	\$ 3,415,571	\$ 2,922,498
DEIL-SG	3,138,970	2,305,455
ALI	2,324,746	2,115,352
Others	366	-
Associates	<u>\$ 8,879,653</u>	<u>\$ 7,343,305</u>

The receivables from related parties arise mainly from sales transactions. The receivables are due 90 days after the date of sale for ALI and 75 days after the date of sale for the others. 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

	December 31, 2021	December 31, 2020
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 6,625,861	\$ 8,071,952
Others	609,492	599,597
Associates	6,673	-
	<u>\$ 7,242,026</u>	<u>\$ 8,671,549</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, 2021</u>	<u>December 31, 2020</u>
Other receivables-related parties		
Subsidiaries		
DEIL-SG	\$ 301,878	\$ 498,414
ALI	46,189	58,818
Others	77,576	63,715
Associates	485	-
	<u>\$ 426,128</u>	<u>\$ 620,947</u>

The above pertain mainly to payments on behalf of others.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other payables-related parties:		
Subsidiaries		
DEIL-SG	\$ 162,592	\$ 55,327
Others	59,247	132,714
	<u>\$ 221,839</u>	<u>\$ 188,041</u>

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

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$ 261,406	\$ 270,835
Post-employment benefits	599	790
	<u>\$ 262,005</u>	<u>\$ 271,625</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Book Value</u>		<u>Pledge purpose</u>
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	
Time deposits (shown as financial assets at amortised cost - current)	\$ 121,608	\$ 120,968	Warranty guarantee
Time deposits (shown as other non-current assets)	112,000	140,000	Performance guarantee
	<u>\$ 233,608</u>	<u>\$ 260,968</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Costs of computer software	\$ 66,360	\$ -
Property, plant and equipment	505,895	1,388,423
	<u>\$ 572,255</u>	<u>\$ 1,388,423</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. Information about the appropriation of 2021 earnings of the Company is provided in Note 6(17) E.
- B. The Company plans to issue domestic unsecured corporate bonds and/or sustainable bonds for a total amount of no more than \$50,000,000 in full or in several times within a year from the date of the board meeting resolution.
- C. The Company plans to merge with Allied Material Technology Corp., a 99.97%-owned subsidiary, and the effective date of the merger is expected to be on May 1, 2022.

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, 2021</u>	<u>December 31, 2020</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	\$ 947,722	\$ 947,464
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,135,640	\$ 1,404,189
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,157,090	\$ 1,526,220
Notes receivable	20,511	34,132
Accounts receivable	14,424,072	14,159,898
Other receivables	513,183	691,847
Guarantee deposits paid	32,549	45,455
Financial assets at amortised cost	233,608	260,968
	<u>\$ 16,381,013</u>	<u>\$ 16,718,520</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,400,000	\$ -
Accounts payable	11,538,868	11,590,472
Other accounts payable	13,798,407	11,983,356
Long-term borrowings	43,303,780	38,618,445
Guarantee deposits received	1,131,776	130,119
	<u>\$ 71,172,831</u>	<u>\$ 62,322,392</u>
Lease liabilities (including current portion)	<u>\$ 443,290</u>	<u>\$ 491,766</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 and foreign exchange swap contracts, 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, 2021		
	Foreign currency amount <u>(in thousands)</u>	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 502,569	27.660	\$ 13,901,047
<u>Non-monetary items</u>			
USD:NTD	\$ 4,961,222	27.660	\$ 137,227,403
THB:NTD	5,389,233	0.8300	4,473,063
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 587,769	27.660	\$ 16,257,702
	December 31, 2020		
	Foreign currency amount <u>(in thousands)</u>	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

- 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, 2021 and 2020 amounted to \$34,614 and (\$23,167), respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 139,010	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 162,577	\$ -
(Foreign currency: functional currency)	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<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	-

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, 2021 and 2020 would have increased/decreased by \$407 and \$256, 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 \$10,605 and \$12,549, 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 2021 and 2020, the Company's borrowings at variable rate were denominated in NTD.

On December 31, 2021 and 2020, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased by \$86,608 and \$77,237, 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. There were no contract assets past due on December 31, 2021 and 2020. On December 31, 2021 and 2020, the

provision matrix of accounts receivable 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, 2021</u>			
Expected loss rate	0.00%	1.16%	25.00%
Total book value	\$ 5,284,138	\$ 253,937	\$ 8,781
Loss allowance	\$ -	\$ 2,956	\$ 2,195
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.01%	100.00%	
Total book value	\$ 5,429	\$ 4,745	\$ 5,557,030
Loss allowance	\$ 2,715	\$ 4,745	\$ 12,611
	<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

- 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>2021</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454
Acquired through business combinations	-	-	-	-	-
Reclassification	-	(10,245)	-	10,245	-
Reversal of impairment loss	-	(70,600)	-	(284)	(70,884)
Others	-	-	-	(13)	(13)
At December 31	\$ -	\$ 12,611	\$ -	\$ 10,946	\$ 23,557
	<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
Provision for impairment	-	15,959	-	811	16,770
Write-offs	-	(19,298)	-	-	(19,298)
Others	-	18,386	-	187	18,573
At December 31	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454

For provisioned loss for the years ended December 31, 2021 and 2020, the reversal of (provision for) impairment losses arising from customers' contracts amounted to \$70,884 and (\$16,770), 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, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,400,000	\$ -	\$ -	\$ -
Accounts payable (including related parties)	11,538,868	-	-	-
Other payables (including related parties)	13,798,407	-	-	-
Lease liabilities (including current portion)	28,461	23,863	47,299	343,667
Long-term borrowings	-	37,354,080	5,949,700	-

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	-

- 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, short-term borrowings, 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, 2021</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	\$ 40,658	\$ -	\$ 7,064	\$ 47,722
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,060,528</u>	<u>-</u>	<u>75,112</u>	<u>1,135,640</u>
	<u>\$ 1,101,186</u>	<u>\$ 900,000</u>	<u>\$ 82,176</u>	<u>\$ 2,083,362</u>
<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>

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, 2021 and 2020, 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, 2021 and 2020:

	2021	2020
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 171,153	\$ 172,156
Acquired through business combinations	-	3,273
Losses recognised in other comprehensive income	(88,931)	-
Gains (losses) recognised in profit or loss	16,870	(4,276)
Acquired during the year	14,710	-
Proceeds from capital reduction	(31,626)	-
At December 31	<u>\$ 82,176</u>	<u>\$ 171,153</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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 82,176	Most recent non-active market price	Not applicable	-	Not applicable
	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

- 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), with investee companies in the Mainland China, for the year ended December 31, 2021.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

Refer to the consolidated financial statements of the Company and subsidiaries for the operating segment information.

DELTA ELECTRONICS, INC.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021

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

Items	Summary	Amount	Note
Cash on hand and revolving funds		\$ 1,959	
Demand deposits		479,480	
Foreign exchange deposits	(USD 20,864 thousand, exchange rate: 27.660)	577,099	
	(JPY 205,106 thousand, exchange rate: 0.2407)	49,369	
	(HKD 12,464 thousand, exchange rate: 3.547)	44,210	
	(EUR 34 thousand, exchange rate: 31.250)	1,060	
	(RMB 678 thousand, exchange rate: 4.34087)	2,944	
Checking accounts deposits		<u>969</u>	
		<u>\$ 1,157,090</u>	

DELTA ELECTRONICS, INC.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2021

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

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
A Company		\$ 669,744	
B Company		289,626	
Others (Note)		<u>4,597,660</u>	The balance of each customer has not exceeded 5% of accounts receivable.
		5,557,030	
Less: Allowance for bad debts		(<u>12,611</u>)	
		<u>\$ 5,544,419</u>	

Note: The accounts receivable past due over one year amounted to \$4,745 for which the Company has recognised allowance for doubtful accounts.

DELTA ELECTRONICS, INC.
DETAILS OF INVENTORIES
DECEMBER 31, 2021

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

Items	Amount		Note
	Cost	Market value	
Raw materials	\$ 5,643,756	\$ 5,850,509	The net realisable value is the net market value.
Work in progress	611,928	611,928	"
Finished goods	2,167,497	2,490,085	"
Inventory in transit	121,265	121,265	"
	<u>\$ 8,544,446</u>	<u>\$ 9,073,787</u>	

Note: As at December 31, 2021, the amount of loss on market value decline and obsolete and slow-moving inventories is \$1,448,727.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2021
(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 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Amount	Number of shares (Note 1)	Ownership (%)	Amount	Price (in NTD)	Total price		
Delta International Holding Limited B.V.	67,680	\$ 68,300,397	-	\$ -	-	(\$ 369,847)	67,680	100.00	\$ 67,930,550	\$ 1,003.70	\$ 67,930,550	None	
Cyntec Co., Ltd.	2,341,204	32,669,114	-	109,093	-	-	2,341,204	100.00	32,778,207	14.00	32,778,207	"	
Delta Networks Holding Limited	83,800	3,112,095	-	-	-	(1,272,617)	83,800	100.00	1,839,478	21.95	1,839,478	"	
Delta Electronics Int'l (Singapore) Pte. Ltd.	45,234	36,275,120	-	7,638,101	-	-	45,234	100.00	43,913,221	970.80	43,913,221	"	
Delta Electronics (Thailand) Public Company Limited	69,128	4,570,430	-	-	-	(97,367)	69,128	5.54	4,473,063	341.96	30,730,776	"	
Allied Material Technology Corp	211,401	1,675,498	-	-	-	(90,034)	211,401	99.97	1,585,464	7.50	1,585,464	"	
Delta Electronics Capital Company	350,000	3,472,020	-	552,543	-	-	350,000	100.00	4,024,563	11.50	4,024,563	"	
Delta Electronics (Netherlands) B.V.	128,492	17,298,092	-	5,960,278	-	-	128,492	100.00	23,258,370	181.01	23,258,370	"	
PreOptix (Hong Kong) Co. Ltd. (Note 2)	5,250	-	-	-	(5,250)	-	-	-	-	-	-	"	
DelBio Inc.	21,762	221,734	-	-	-	(13,107)	21,762	100.00	208,627	9.59	208,627	"	
Delta America Ltd.	2,100	325,803	-	-	-	(40,019)	2,100	10.26	285,784	136.09	285,784	"	
Vivotec Inc.	45,782	3,903,371	1,910	207,172	-	-	47,692	55.09	4,110,543	75.00	4,649,976	"	
Chunghwa SEA Holdings	-	-	880	8,569	-	-	880	44.00	8,569	9.74	8,569	"	
Total		<u>\$ 171,823,674</u>		<u>\$ 14,475,756</u>		<u>(\$ 1,882,991)</u>			<u>\$ 184,416,439</u>		<u>\$ 211,213,585</u>		

Note 1: Shares in thousands.

Note 2: In December 2020, PHK returned capital amounting to USD 5,250,000 to the Company, due to the liquidation of the subsidiary, which was completed in March 2021.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
AND ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to Note 6(7) disclosure.

DELTA ELECTRONICS, INC.
ACCOUNTS PAYABLE
DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Vendor name</u>	<u>Amount</u>	<u>Note</u>
Vendor A	\$ 249,364	
Others	<u>4,047,478</u>	The balance of each vendor has not exceeded 5% of accounts payable.
	<u>\$ 4,296,842</u>	

DELTA ELECTRONICS, INC.
DETAILS OF LONG-TERM BORROWINGS
DECEMBER 31, 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Creditor	Summary	Ending balance	Contract period	Interest Rate	Collateralize or pledge	Note
Citibank	Credit Loans	\$ 4,090,000	2021.12.08~2023.12.07	0.48%~0.50%	None	-
DBS Bank, Ltd.	"	7,404,980	2021.07.28~2023.07.27	0.51%~0.53%	"	-
CTBC Bank Co., Ltd.	"	360,000	2021.10.01~2026.07.15	0.58%	"	-
HSBC Bank, Ltd.	"	1,670,000	2021.08.13~2023.08.12	0.53%	"	-
Mizuho Bank, Ltd.	"	13,859,100	2021.07.01~2023.07.01	0.53%	"	-
Sumitomo Mitsui Banking Corporation	"	10,330,000	2021.10.15~2023.10.14	0.53%	"	-
Taishin International Bank	"	<u>5,589,700</u>	2021.08.06~2024.09.15	0.31%~0.51%	"	-
		<u>\$ 43,303,780</u>				

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Power electronics	\$ 15,657,626	
Automation	9,819,445	
Infrastructure	19,177,230	
Others	<u>58,340</u>	
Sales revenue	44,712,641	
Service revenue	20,652,780	
Other operating revenue	<u>1,555,695</u>	
Total operating revenue	<u>\$ 66,921,116</u>	

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING COST
YEAR ENDED DECEMBER 31, 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Amount
Raw materials at beginning	\$ 3,202,454
Add: Materials purchased for the year	16,530,901
Less: Raw materials at the end	(5,643,756)
Raw materials in transit	(119,662)
Cost of raw material sales	(474,551)
Scrapped raw materials	(83,523)
Transferred to manufacturing or operating expenses	(157,145)
Direct materials	13,254,718
Direct labor	828,316
Manufacturing overhead	2,037,429
Manufacturing cost for the year	16,120,463
Add: Work in progress at the beginning	501,254
Less: Work in progress at the end	(611,928)
Cost of finished goods for the year	16,009,789
Add: Finished goods at the beginning	1,733,940
Finished goods purchases for the year	18,745,052
Less: Finished goods at the end	(2,167,497)
Finished goods in transit	(1,603)
Scrapped finished goods	(27,869)
Transferred to manufacturing overheads or operating expenses	(219,555)
Cost of goods manufactured and sold	34,072,257
Loss on market value decline and obsolete and slow-moving inventories	369,426
Others	(65,311)
Cost of goods sold	34,376,372
Cost of raw material sales	474,551
Cost of services	5,171,581
Other operating costs	1,046,529
Operating costs	\$ 41,069,033

DELTA ELECTRONICS, INC.
DETAILS OF MANUFACTURING OVERHEAD
YEAR ENDED DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Salaries and Wages	\$ 783,052	
Depreciation	650,071	
Others	<u>604,306</u>	The balance of each expense account has not exceeded 5% of manufacturing overhead.
Total	<u>\$ 2,037,429</u>	

DELTA ELECTRONICS, INC.
DETAILS OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Wages and Salaries	\$ 788,582	
Freight	163,383	
Others	<u>159,127</u>	The balance of each expense account has not exceeded 5% of selling expenses.
Total	<u>\$ 1,111,092</u>	

DELTA ELECTRONICS, INC.
DETAILS OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 1,435,817	
Depreciation	415,989	
Others	<u>1,138,589</u>	The balance of each expense account has not exceeded 5% of general and administrative expenses.
Total	<u>\$ 2,990,395</u>	

DELTA ELECTRONICS, INC.
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2021
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 8,653,365	
Depreciation	769,322	
Others	<u>3,832,652</u>	The balance of each expense account has not exceeded 5% of research and development expenses.
Total	<u>\$ 13,255,339</u>	

DELTA ELECTRONICS, INC.
DETAILS OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Function Nature	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salaries and Wages	3,107,967	10,877,764	13,985,731	2,915,170	10,252,103	13,167,273
Labor and Health insurance	210,433	671,650	882,083	176,320	595,660	771,980
Pension	40,702	399,357	440,059	41,886	368,926	410,812
Directors' remuneration	-	44,200	44,200	-	19,656	19,656
Others	252,324	292,458	544,782	207,944	264,770	472,714
Depreciation	650,071	1,191,842	1,841,913	605,147	1,274,119	1,879,266
Amortisation	1,835	602,378	604,213	2,180	445,277	447,457

Note: A. As at December 31, 2021 and 2020, the number of the Company's employees were 9,786 and 9,710 (excluding 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 \$1,621 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 \$1,527 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 \$1,430 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 \$1,357 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 5.38%. ('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(24)A. for the Company's compensation policy.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2021

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, 2021 (Note 2)	Balance at December 31, 2021	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 Controls Inc.	Other receivables - related parties	Yes	\$ 2,572,380	\$2,572,380	\$ 1,659,600	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,519,112	\$ 28,519,112	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	16,914,090	16,914,090	16,914,090	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	28,519,112	28,519,112	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	802,140	-	-	0.50%	2	-	Additional operating capital	-	None	-	1,827,419	1,827,419	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	18,808,800	15,130,020	15,130,020	0.5%- 0.7%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	2,212,800	-	-	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	691,500	691,500	691,500	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	12,170,400	12,170,400	12,170,400	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	387,240	387,240	387,240	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
3	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	63,618	63,618	63,618	0.70%	2	-	Additional operating capital	-	None	-	67,644,435	67,644,435	Note 5
4	Eltek AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	31,250	31,250	31,158	1.90%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	91,500	61,000	61,000	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Eltek Power France SAS	Other receivables - related parties	Yes	78,125	-	-	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Solutions (Finland) Oy	Other receivables - related parties	Yes	31,250	-	-	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	Note 5
4	Eltek AS	Delta Electronics (Poland) Sp. z. o.o.	Other receivables - related parties	Yes	99,402	99,402	99,402	0.60%	2	-	Additional operating capital	-	None	-	3,275,627	3,275,627	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, 2021 (Note 2)	Balance at December 31, 2021	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	Eltek s.r.o.	Other receivables - related parties	Yes	\$ 303,125	\$ 303,125	\$ 303,125	0.60%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 3,275,627	\$ 3,275,627	Note 5
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,519,305	1,519,305	1,519,305	4.65%	2	-	Additional operating capital	-	None	-	4,155,257	4,155,257	Note 5
6	Vivotek Inc.	Vatics Inc.	Other receivables	No	270,000	-	-	1.09%	2	-	Additional operating capital	-	None	-	290,473	580,945	Note 6
7	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	375,000	359,375	359,375	0.40%	2	-	Additional operating capital	-	None	-	695,111	695,111	Note 5
8	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,157,480	2,157,480	2,157,480	1.7%-4%	2	-	Additional operating capital	-	None	-	6,344,224	6,344,224	Note 5
9	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	218,750	218,750	187,500	0.40%	2	-	Additional operating capital	-	None	-	1,123,039	1,123,039	Note 5
10	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,666,894	1,610,463	1,610,463	3.85%	2	-	Additional operating capital	-	None	-	2,731,854	2,731,854	Note 5
11	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	583,413	583,413	583,413	3.85%	2	-	Additional operating capital	-	None	-	7,766,756	7,766,756	Note 5

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

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2021, 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 10% of the Company's net assets value in the latest financial statements which were audited or reviewed by independent auditors.

Note 7: Nature of loans:

- (1) Business transaction: 1.
- (2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2021

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, 2021	Outstanding endorsement / guarantee amount at December 31, 2021	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 4)											
1	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 3,095,730	\$ 124,470	\$ 124,470	\$124,470	\$ -	0.08%	\$ 7,739,326	N	N	N	Note 2

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 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 3: The Company's net assets based on the latest audited or reviewed financial statements were \$154,786,522 thousand (2021/12/31).

Note 4: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

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

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2021

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, 2021				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	31,294,379	\$ 683,782	2.08%	\$ 683,782	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	376,746	5.78%	376,746	
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	-	122,834	-	122,834	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,750	271,246	0.51%	271,246	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,061,000	205,834	0.81%	205,834	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	174,505	0.14%	174,505	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	290,500	1.44%	290,500	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	213,786	2.99%	213,786	
Delta Electronics Capital Company	Acer E-Enabling Service Business Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	800,000	176,000	2.19%	176,000	
Delta Electronics Capital Company	AMIA Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - non-current	2,000,000	131,980	3.18%	131,980	
Delta Electronics Capital Company	Evergreen Aviation Technologies Corporation common stock	None	Financial assets at fair value through profit or loss - non-current	3,000,000	189,000	0.85%	189,000	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	Hz0, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,373,728	-	1,373,728	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	110,640	19.9%	110,640	
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	-	39,607	-	39,607	
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	29,890	19.79%	29,890	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,841	17.52%	4,841	
Delta Electronics (Pingtan) Co., Ltd.	Pingtang Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	6,511	15.00%	6,511	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	197,148	2.04%	197,148	

Table 3-2

Delta Electronics, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2021

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, 2021		Addition		Disposal				Balance as at December 31, 2021		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 (H.K.) Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Investments accounted for under equity method	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	-	(\$ 16,747)	-	\$ 1,007,644 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 990,897	
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	Investments accounted for under equity method	Luneau Technology USA, Inc.	None	5,190,330	728,129	-	(7,933) (Note 2)	5,190,330	720,196 (Note 3)	720,196	-	-	-	
Delta International Holding Limited B.V.	March Networks Holdings Ltd. (Note 4)	Investments accounted for under equity method	Infinova International Ltd.	None	-	-	10,000	3,468,894 (Note 5)	-	-	-	-	10,000	3,468,894	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	1,775,836	-	-	-	926,057	961,596	(Note 6)	-	814,240	

Note 1: Delta Electronics (H.K.) Ltd increased its investments in Cyntec Electronics (WuHu) Co., Ltd. in the amount of \$1,353,700 in April 2021, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 2: It pertained to investment income or loss recognised during the period and adjustments in changes of net value.

Note 3: As of December 31, 2021, the proceeds had been collected amounting to \$630,280, and other receivables were recognised in the amount of \$89,916. The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

Note 4: The investee, Infinova (Canada) Limited, was renamed as March Networks Holdings Ltd. in December 2021.

Note 5: Delta International Holding Limited B.V. increased its investments in Infinova (Canada) Limited in the amount of \$3,472,680 in December 2021, which included investment income or loss recognised during the period and adjustments in changes of net value.

The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

Note 6: Delta Electronics (H.K.) Ltd. acquired 51% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited. The transaction resulted from the Group's adjustment in investment structure. There was no gain or loss on disposal pursuant to related ordinances.

Delta Electronics, Inc. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2021

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 Controls Inc.	Land and buildings in British Columbia, Canada	April 20, 2021	\$ 640,680	In accordance with the contract terms	Energrated Holdings Ltd.	None	-	-	-	\$ -	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
Delta Electronics, Inc.	Plant 5 in Zhongli	August 27, 2021	3,035,176	In accordance with the contract terms	Li Jin Engineering Co., Ltd., etc.	None	-	-	-	-	Price comparison and negotiation	For future business development	None
Delta Electronics (Netherlands) B.V.	Buildings in Helmond, Netherlands	October 27, 2021	321,649	In accordance with the contract terms	Bouwbedrijf L. v. d. Ven B.V., etc.	None	-	-	-	-	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
Delta Electronics, Inc.	Phase 3 of plant in Tainan	December 24, 2021	2,826,527	In accordance with the contract terms	Lee Ming Construction Co., Ltd., etc.	None	-	-	-	-	Price comparison and negotiation	For future business development	None
Delta Electronics (Thailand) Public Company Limited	Plant in Wellgrow Industrial Estate, Thailand	December 31, 2021	510,184	In accordance with the contract terms	Samson Contractor Co., Ltd.	None	-	-	-	-	Price comparison and negotiation	For future business development	None

Delta Electronics, Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2021

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 Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 4,687,136	13.37	70 days			\$ 1,480,147	22.68	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	85.77	70 days			4,945,779	75.78	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	25.68	70 days			6,104,337	47.20	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	628,869	0.79	70 days			165,180	1.28	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	73.00	70 days			6,578,815	50.87	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	323,268	0.92	70 days			113,122	1.09	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	52.50	70 days			4,500,068	43.50	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	3,082,153	8.89	70 days			909,005	8.79	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,016,536	2.93	70 days			284,659	2.75	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	99.23	70 days			1,506,489	98.87	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	331,483	4.44	70 days			51,159	3.42	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	95.52	70 days			1,438,931	96.07	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	894,310	16.74	70 days			218,210	17.07	

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 (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 4,458,582	83.29	70 days			\$ 1,060,041	82.93	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,943,266	61.89	70 days			206,726	40.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	407,864	12.97	70 days			105,384	20.50	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	756,910	24.07	70 days			194,016	37.74	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,060,067	27.00	Note 1	Note 1	Note 1	554,396	38.36	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	205,454	2.67	90 days after delivery			77,066	5.33	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	99.72	Note 2	Note 2	Note 2	2,303,996	99.79	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	486,320	19.66	70 days			-	-	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,987,028	80.34	70 days			831,228	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,008,607	84.32	70 days			35,416	9.30	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,255	3.03	70 days			47,421	4.08	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,168,563	20.79	70 days			213,065	19.75	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	119,460	2.12	70 days			21,059	1.95	
Delta Electronics (Japan), Inc.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	125,333	2.21	70 days			39,510	3.66	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	349,965	5.84	70 days			69,597	4.58	

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)	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 547,089	9.12	70 days			\$ 65,099	4.28	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	779,636	13.00	180 days			589,750	38.82	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	190,675	3.85	70 days			100,988	9.77	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	706,886	14.01	70 days			112,801	10.91	
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	116,224	2.25	70 days			4,812	0.47	
ELTEK AS	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	107,170	2.09	70 days			22,650	2.19	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	617,629	12.18	70 days			123,843	11.98	
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	455,849	9.07	70 days			88,080	8.52	
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	130,073	2.57	70 days			19,627	1.89	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	165,430	3.24	70 days			19,626	1.90	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	193,388	3.80	70 days			31,811	3.08	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	435,543	8.63	70 days			110,299	10.66	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	414,668	0.18	70 days			106,151	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	267,739	0.15	90 days after delivery			164,385	0.29	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	2,057,628	0.83	70 days			673,902	1.20	

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)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 20,947,034	9.23	70 days			\$ 5,261,466	9.37	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	14.09	70 days			3,518,289	6.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	2.42	70 days			961,354	1.71	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	2.53	70 days			903,077	1.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,520,847	1.55	70 days			1,049,632	1.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	282,686	0.13	70 days			51,394	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,828,800	0.80	70 days			530,152	0.94	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	630,399	0.26	70 days			190,271	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	141,805	0.06	70 days			36,222	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	229,432	0.05	150 days			106,210	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	184,373	0.09	70 days			47,478	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	193,328	0.11	75 days after delivery			126,546	0.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,675,119	0.71	90 days after delivery			537,974	0.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	162,958	0.06	70 days			42,835	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,963,137	1.30	70 days			629,279	1.12	

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 (Korea), Inc.	Affiliated enterprise	Operating revenue	\$ 280,428	0.12	70 days			\$ 76,044	0.14	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	161,862	0.08	75 days after delivery			33,038	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	3,089,656	1.36	70 days			925,049	1.65	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,265,486	0.58	70 days			260,065	0.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	560,389	0.24	70 days			167,328	0.30	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,834,518	0.77	70 days			599,561	1.07	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green Industrial (Thailand) Co., Ltd.	Affiliated enterprise	Operating revenue	107,317	0.02	70 days			32,069	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	18,853,376	8.34	70 days			6,635,646	11.82	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	13,195,954	5.80	90 days after delivery			5,027,252	8.95	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	2,677,076	1.16	70 days			692,118	1.23	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	5,886,012	2.59	70 days			1,377,115	2.45	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	596,624	16.37	70 days			188,846	18.12	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,646,756	45.08	70 days			560,904	53.80	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	Operating revenue	190,272	5.14	70 days			28,628	2.75	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,167,831	31.73	70 days			246,321	23.63	

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)	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	\$ 1,878,928	76.62	70 days			\$ 127,130	55.05	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	499,009	20.15	70 days			72,964	31.60	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	169,258	0.29	70 days			1,529	0.01	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	364,005	0.57	90 days after delivery			96,185	0.56	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	201,620	0.34	70 days			53,910	0.31	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,009,041	1.64	70 days			134,758	0.78	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	226,349	0.35	70 days			56,594	0.33	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	133,190	0.20	70 days			29,757	0.17	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	21,684,080	35.23	90 days after delivery			8,166,943	47.58	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,659,266	2.70	70 days			437,353	2.55	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	293,740	0.48	70 days			108,477	0.63	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	754,625	1.11	70 days			744,248	5.15	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	Operating revenue	362,780	0.54	150 days			360,411	2.50	
Delta Electronics, Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	281,560	0.42	70 days			47,507	0.33	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	468,828	0.71	70 days			18	-	

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, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	\$ 279,128	0.42	70 days			\$ 1	0.00	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	213,485	0.31	90 days after delivery			30,397	0.21	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	278,746	0.40	70 days			103,015	0.71	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	335,942	0.45	70 days			132,004	0.92	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	25.92	70 days			3,415,571	23.62	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	2,773,177	4.09	70 days			454,866	3.16	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	8,259,647	12.24	90 days after delivery			3,138,970	21.74	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	1,369,368	2.03	70 days			283,057	1.96	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	150,204	0.23	75 days after delivery			56,895	0.40	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	396,031	0.58	70 days			49,201	0.34	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	570,566	12.00	90 days	Note 3	Note 3	154,838	22.00	

Note 1: Sales revenue is cost plus handling charges and necessary processing costs. The collection term is 90 days from next month for ALI, 75 days from next month for other related parties, and 30~120 days after monthly billings to third parties.

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. and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
December 31, 2021

Table 7

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (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	\$ 1,480,147	4.56	\$ -		\$ 918,393	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	4,945,779	5.58	-		4,920,183	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	6,104,337	3.24	-		5,762,924	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	165,180	4.34	-		53	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	6,578,815	9.83	32,127		416,567	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	113,122	1.95	612		69,044	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	4,500,068	3.79	-		2,724,712	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	909,005	3.79	-		552,274	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	284,659	3.49	-		284,659	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,506,489	4.19	-		1,079,934	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,438,931	5.99	-		959,802	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	218,210	4.31	-		218,210	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,060,041	5.08	-		747,161	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	206,726	7.25	-		206,726	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	105,384	4.54	-		13	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	194,016	4.50	-		152,301	
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	141,896	-	-		141,896	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	554,396	3.71	-		366,268	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,303,996	6.44	-		2,062,934	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	831,228	4.78	-		831,228	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	213,065	6.15	-		124,472	

Table 7-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	\$ 589,750	1.73	\$ 237,587		\$ 34,486	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	100,988	2.31	-		30,522	
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	112,801	4.84	-		47,897	
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	123,843	4.66	-		49,081	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	413,424	3.49	315		84,441	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	106,151	3.76	292		24,708	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELETRONICS BRASIL LTDA	Affiliated enterprise	164,385	2.23	31,976		409	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	673,902	3.20	-		386,481	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	5,261,466	4.72	848,145		3,045,795	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	3,518,289	12.20	-		1,957,841	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	961,354	6.96	6,915		941,839	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	903,077	7.71	1,604		473,332	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	1,049,632	4.02	607,889		511,710	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	530,152	4.33	-		169,525	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	190,271	4.15	33		-	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	106,210	2.83	-		44,135	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd	Affiliated enterprise	126,546	1.91	52,170		25,029	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	537,974	3.31	27,647		141,928	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	629,279	4.41	-		175,118	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	925,049	4.97	-		321,870	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	260,065	3.32	-		156,223	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	167,328	4.81	-		52,531	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	599,561	3.66	190,288		130,167	

Table 7-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (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, Inc.	Ultimate parent company	\$ 6,784,076	2.56	\$ 40,690		\$ 1,034,762	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	5,027,252	2.50	-		1,465,263	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	692,118	4.47	3,194		175,860	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	1,377,115	5.21	29,775		572,782	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	188,846	3.86	2,140		57,722	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	560,904	3.28	-		172,058	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	246,321	3.63	-		115,619	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	127,130	14.05	143		127,130	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	134,758	5.14	-		40,781	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	8,166,943	3.08	1,357,525		2,061,985	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	437,353	4.39	15,451		76,656	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	108,477	3.77	21,901		90,198	
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	744,248	0.77	-		-	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	360,411	2.01	-		-	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	103,015	4.69	-		33,086	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	132,004	3.34	146		36,143	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,717,449	0.27	215,194		3,076,977	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	454,866	7.00	201,550		228,108	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	3,138,970	3.03	-		974,736	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	283,057	4.53	1,052		117,875	
Delta International Holding Limited B.V.	Delta Controls Inc.	Affiliated enterprise	387,473	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	12,192,171	-	-		-	

Table 7-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Affiliated enterprise	\$ 692,737	-	\$ -		\$ -	
Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	15,158,506	-	-		-	
DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	2,157,480	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	590,526	-	-		-	
Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	1,646,965	-	-		-	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,559,731	-	-		-	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,660,315	-	-		-	
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	16,940,509	-	-		-	
Cyntec Electronics (Suzhou) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	253,432	-	-		-	
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	187,500	-	-		-	
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	359,375	-	-		-	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	161,657	4.09	-		-	

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

Note 2: The amount represents collections subsequent to December 31, 2021 up to February 24, 2022.

Delta Electronics, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2021

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.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	\$ 8,259,647	(Note 5)	2.62
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	(Note 5)	5.53
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	4,687,136	(Note 4)	1.49
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	(Note 4)	9.55
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	(Note 4)	6.62
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	(Note 4)	18.81
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	(Note 4)	5.79
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	(Note 4)	1.93
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	(Note 4)	2.26
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,458,582	(Note 4)	1.42
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	(Note 7)	4.87
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	20,947,034	(Note 4)	6.66
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	(Note 4)	10.18
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	(Note 4)	1.74
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	(Note 4)	1.84

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)
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 3,520,847	(Note 4)	1.12
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	18,853,376	(Note 4)	5.99
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	13,195,954	(Note 5)	4.19
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	5,886,012	(Note 4)	1.87
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	21,684,080	(Note 5)	6.89
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Accounts receivable	3,717,449	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	4,945,779	(Note 4)	1.35
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	6,104,337	(Note 4)	1.67
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	6,578,815	(Note 4)	1.80
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,500,068	(Note 4)	1.23
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,261,466	(Note 4)	1.44
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Accounts receivable	6,784,076	(Note 4)	1.86
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,027,252	(Note 5)	1.38
9	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	8,166,943	(Note 5)	2.24
10	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	12,192,171	(Note 6)	3.34
10	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	15,158,506	(Note 6)	4.15

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)
11	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 16,940,509	(Note 6)	4.64

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. and Subsidiaries

Information on investees

Year ended December 31, 2021

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, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 67,930,550	\$ 1,262,627	\$ 1,236,811	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	1,839,478	99,400	61,931	(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	23,258,370	6,167,401	5,733,781	(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	4,473,063	5,836,012	287,690	(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	32,778,207	1,107,200	964,114	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	208,627	2,496	3,233	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	4,024,563	552,543	552,543	(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	43,913,221	12,171,122	12,035,873	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,585,464	(90,061)	(90,034)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	285,784	386,583	13,774	(Notes 6 and 9)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,361,352	4,217,016	47,692,058	55.09	4,110,543	188,138	5,510	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	-	880,000	44.00	8,569	(525)	(231)	(Note 18)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	11,915,297	11,915,297	191,984,450	15.39	11,818,732	5,836,012	678,798	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	79,412	79,412	1,000,000	100.00	220,910	7,328	7,328	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	79,079	79,079	5,600	100.00	717,423	123,652	123,652	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	390,738	390,738	46,949,667	100.00	147,038	(131,894)	(142,166)	(Note 1)
Delta International Holding Limited B.V.	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	-	41,490	-	-	-	(8,495)	(8,495)	(Notes 1 and 21)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta International Holding Limited B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	\$ 562,726	\$ 562,726	10,000	100.00	\$ 835,777	\$ 97,144	\$ 91,386	(Note 1)
Delta International Holding Limited B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,888,899	1,888,899	1,060,624	100.00	2,373,380	427,640	425,514	(Note 1)
Delta International Holding Limited B.V.	Eltek AS	Norway	Research, development and sales of power supplies and others	13,751,653	13,751,653	93,531,101	100.00	11,556,213	453,742	(222,719)	(Note 1)
Delta International Holding Limited B.V.	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,074,500	2,074,500	75,000,000	100.00	2,544,129	47,803	47,803	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	101,236	101,236	500,000	100.00	59,413	2,425	2,425	(Note 1)
Delta International Holding Limited B.V.	March Networks Holdings Ltd.	Canada	Equity investments	3,455,191	-	10,000	100.00	3,468,894	25,764	18,653	(Note 18)
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	167,343	167,343	2,314,592	100.00	162,816	28,824	28,824	(Note 2)
Delta Electronics (H.K.) Ltd.	Eltekenery International de Mexico, S. de R.L. de C.V.	Mexico	Sales of power supplies and others	926,057	-	20,944,514	100.00	103,636	80	80	(Note 2)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,083,463	9,083,463	2,549,297,600	100.00	24,303,836	5,062,250	5,062,250	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,409,764	2,409,764	1	100.00	1,929,314	237,064	122,152	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,760,738	4,760,738	304,504,306	100.00	5,081,537	589,868	585,628	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,428,216	1,428,216	18,374,182	89.74	2,633,676	386,583	346,102	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Optovue, Inc.	U.S.A.	Research, development, design, manufacturing and sales of medical equipment	-	1,023,420	-	-	-	(948)	(1,766)	(Notes 8 and 22)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	155,449	155,449	940,687	100.00	(9,297)	(47,788)	(51,659)	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech (Brasil) S.A.	Brazil	Manufacturing and sales of electronic products	196,663	196,663	4,315,657	100.00	172,337	11,587	11,587	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	561,042	561,042	87,000,000	100.00	400,699	(9,192)	(9,192)	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and producing of dedicated lighting system and facilities	2,702,908	2,702,908	-	100.00	2,687,403	74,099	(4,433)	(Note 8)

Table 9-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	\$ 772,562	\$ 772,562	12,175,470	100.00	\$ 638,757	\$ 76,617	\$ 41,846	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Graphic control software and related engineering services	986,758	977,883	51,495	100.00	1,025,452	73,853	47,465	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	208,951	208,951	250,000	100.00	1,483,967	226,250	226,250	(Note 15)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	62,788	62,788	-	100.00	31,695	(11,656)	(11,656)	(Note 15)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	33,093,857	33,093,857	534,479,306	42.85	34,079,594	5,836,012	1,889,962	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	20,837	20,837	11,400,000	100.00	29,113	16,102	16,102	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	187,217	(7,245)	(7,245)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(17,327)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	57,128	57,128	300,000	100.00	(45,401)	9,916	9,916	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec Electronics GmbH	Austria	Provide solutions to building management and control	2,244,870	2,244,870	-	100.00	1,461,366	117,496	65,126	(Note 7)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	4,919,579	4,919,579	1,196,886,000	100.00	1,791,140	97,556	97,066	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	968,100	968,100	35,000,000	100.00	1,770,243	98,817	98,817	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	159,859	159,859	40,526,221	100.00	(271,450)	(131,894)	(131,894)	(Note 17)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	29,029,596	789,681	789,681	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	347,387	24,134,934	100.00	280,842	29,014	22,016	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	7,843,251	7,843,251	264,357,330	100.00	5,912,257	157,913	(291,159)	(Note 16)
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	170,980	170,980	20,600,000	100.00	82,362	(3,966)	(3,966)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	4,626,320	4,626,320	146,586,590	100.00	8,194,107	114,287	82,108	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Vietnam) Company Limited	Vietnam	Sales of electronic products	2,515	2,515	-	100.00	10,486	8,363	8,363	(Note 16)

Table 9-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	\$ 382	\$ -	110,999	100.00	(\$ 53)	(\$ 456)	(\$ 456)	(Notes 16 and 18)
Vivotek Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	305,651	-	-	-	(30,724)	3,319	(Note 19)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	272,981	25,624	46,945	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	139,748	31,336	31,652	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	121,210	1,938	1,938	(Note 11)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	47,109	1,183	1,183	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,542	330	330	(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	323,079	25,630	25,630	(Note 10)
Realwin Investment Inc.	Skywatch INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(3,320)	-	(Note 14)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	49,981	3,410	3,410	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	62,814	29,676	16,681	(Note 12)
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	-	11,242	-	-	-	10,436	9,408	(Notes 12 and 20)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,095	712	363	(Note 12)
Realwin Investment Inc.	Vatics Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	31,123	-	-	-	(30,724)	(1,193)	(Note 19)

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 B.V.

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 Cyntec 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 B.V. 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'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 15: The Company's second-tier subsidiary, which was recognised as investment gains/losses through Delta America Ltd.

Note 16: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Delta Electronics (Thailand) Public Company Limited.

Note 17: The Company's third-tier subsidiary, which was recognised as investment gains/losses through Digital Projection International Ltd.

Note 18: Established or invested during 2021.

Note 19: The Group disposed 54.41% equity shares of Vatics Inc. to Kneron Holding Corporation on June 30, 2021. As of that date, the Group lost control over the aforementioned entity; thus it was not included as a consolidated entity of the Group since the date.

Note 20: Dissolved and liquidated in August 2021.

Note 21: Dissolved and liquidated in April 2021.

Note 22: The Group disposed all of its shares in Optovue in June 2021 as resolved by the Board of Directors, and the related procedures were completed in July.

Delta Electronics, Inc. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2021

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 3,869,911	Invested by DHK	\$ 4,613,006	\$ -	\$ -	\$ 4,613,006	\$ 778,553	100.00	\$ 777,581	\$ 5,983,909	\$ 267,196	(Notes 3, 15 and 20)
Delta Electronics Power (Dongguan) Co., Ltd.	Manufacturing and sales of power supplies and others	-	Invested by DHK	-	-	-	-	44,108	-	44,106	-	-	(Notes 15 and 20)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,443,048	Invested by DHK	432,698	-	-	432,698	3,119,728	100.00	3,119,967	7,783,056	-	(Notes 6 and 15)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	3,706,440	Invested by DHK	473,297	-	-	473,297	114,183	100.00	113,821	4,160,774	-	(Notes 7 and 15)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,742,580	Invested by DHK	118,243	-	-	118,243	125,859	100.00	127,210	2,027,032	-	(Notes 8 and 15)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	5,167,165	Invested by DHK	11,280,574	-	-	11,280,574	1,507,501	100.00	1,500,875	12,599,381	-	(Notes 12 and 15)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	125,300	Invested by DHK	915,135	-	-	915,135	(23,484)	100.00	(23,484)	(62,159)	-	(Notes 9 and 15)
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	-	Invested by DHK	1,048,586	-	-	1,048,586	5,503	-	5,974	-	-	(Notes 15 and 25)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	130,226	Invested by DHK	143,685	-	-	143,685	85,441	100.00	85,441	230,439	-	(Note 15)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	217,044	Invested by DHK	12,650	-	-	12,650	6,344	100.00	6,344	166,531	-	(Notes 10 and 15)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	238,748	Invested by DHK	233,961	-	-	233,961	(10,925)	100.00	(10,925)	193,642	-	(Note 15)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and processing of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; sales of self-produced products and wholesale, import and export of products similar to the Company's products	5,587,320	Invested by CHK	5,489,469	-	-	5,489,469	768,600	100.00	768,600	8,697,390	255,855	(Notes 17 and 23)

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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	\$ 1,258,530	Invested by DNHK	\$ 1,236,577	\$ -	\$ -	\$ 1,236,577	\$ 123,789	100.00	\$ 123,789	\$ 1,661,715	\$ 608,520	(Notes 5 and 26)
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	64,020	Invested by DNHK	19,362	-	-	19,362	(3,791)	30.00	(1,137)	16,119	-	(Note 16)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	110,640	Invested by DelBio	110,640	-	-	110,640	6,614	100.00	6,593	181,793	-	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	110,692	Invested by DCZ	-	-	-	-	49,456	100.00	49,275	241,900	-	(Note 13)
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.	43,409	Invested by DPEC and DGC	-	-	-	-	1,486	96.32	1,486	33,427	-	(Note 13 and 22)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	434	Invested by DET-SH	-	-	-	-	1,012	96.32	1,012	1,889	-	(Note 13 and 22)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,139	Invested by Amerlux Lighting Hong Kong Limited	166,582	-	-	166,582	98,541	100.00	98,541	118,895	-	(Notes 11 and 19)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,465,614	Invested by Drake-HK, Boom and DGSG	8,458,778	-	-	8,458,778	1,053,390	95.91	1,010,316	6,473,416	-	(Notes 4 and 14)
Cyntec Electronics (WuHu) Co., Ltd.	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,355,340	Invested by DHK	27,660	802,140	-	829,800	(340,588)	100.00	(340,588)	990,897	-	(Notes 15 and 24)
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	108,522	Invested by DPT	-	-	-	-	-	40.00	679	12,835	-	(Note 13)

Table 10-2

- 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 6.372 to US\$1 and NTD 4.34087 to RMB\$1.
- Note 2: The accumulated remittance as at January 1, 2021, remitted or collected this period, accumulated remittance as at December 31, 2021 and investment income remitted back as at December 31, 2021 was translated into New Taiwan Dollars at the average exchange rate of NTD 27.66 to US\$1 at the balance sheet date.
- Note 3: Except for the facility of US\$166,775 thousand (the amount include former Delta Electronics Power (Dongguan) Co., Ltd.) permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 4: Except for the facility of US\$305,813 thousand permitted by Investment Commission, the capitalisation of earnings of US\$980 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$21,812 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\$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 7: 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 8: 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 9: 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 10: 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 11: 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 12: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. Under the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.
- Note 13: 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 14: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.
- Note 15: Invest through Delta Electronics (H.K.) Ltd.
- Note 16: Invest through Delta Networks (HK) Limited.
- Note 17: Invest through Cyttec Holding (HK) Limited.
- Note 18: Invest through DelBio Inc.
- Note 19: Invest through Amerlux Lighting Hong Kong Limited.
- Note 20: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.
- Note 21: The company recognised investment income / loss based on the audited financial statement.
- Note 22: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. After the merger, Delta Energy Technology Puhuan (Shanghai) Co., Ltd. would be the surviving company while Delta Energy Technology (Shanghai) Co., Ltd. would be the dissolved company. As of December 31, 2021, the procedure was still in process.
- Note 23: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$4,000 thousand permitted by Investment Commission is excluded from Cyttec Co., Ltd.'s amount of investment in Mainland China.
- Note 24: Except for the facility of US\$30,000 thousand permitted by Investment Commission, the capitalisation of earnings of US\$19,000 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 25: This company had been liquidated in December 2021.
- Note 26: Jointly invested through Delta Electronics (H.K.) Ltd. and Delta Networks (HK) Limited.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2021	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)	\$ 27,651,858	\$ 28,022,364	\$ -
Cyntec Co., Ltd. (Note 5)	5,233,614	5,233,614	16,509,859
DelBio Inc. (Note 4)	110,640	110,640	125,421

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 NTD27.66 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, 2021.

Note 5: Cyntec Co., Ltd. remitted back the investment income of US\$9,250 thousand on June 22, 2021 from the investee company in Mainland China, CYNTEC ELECTRONICS (SUZHOU) CO., LTD., and was permitted by Investment Commission on August 4, 2021, which are deductible from Cyntec Co., Ltd.'s accumulated amount remitted out of Taiwan to Mainland China.

Delta Electronics, Inc. and Subsidiaries
Major shareholders information
December 31, 2021

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%