

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021, 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 (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, 2022 and 2021, 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 Standards on Auditing of 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 2022 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 2022 parent company only financial statements are stated as follows:

Investments accounted for under equity method

Description

Refer to Note 4(37) in the consolidated financial statements for the accounting policy on business combination. Refer to Notes 6(10) and (31) in the consolidated financial statements for the accounting treatment of business combination and the allocation of purchase price.

In December 2021, the subsidiary of the Company-Delta International Holding Limited B.V. acquired 100% of the share capital of March Networks Holding Ltd. for NT\$3,462,124 thousand. Such business acquisition was recognised as investment accounted for under the equity method in the balance sheet. The allocation of the acquisition price was completed in the second quarter of 2022. The acquisition price and the amount of intangible assets arising from the business acquisition are significant and the net fair value of identifiable assets and liabilities and the allocation of intangible assets are based on management's estimation and subjective judgement. Thus, we considered the purchase price allocation for the above business combination a key audit matter.

How our audit addressed the matter

We performed the following procedures for the above key audit matter:

- A. Assessed the appropriateness and objectivity of the appraisers appointed by the management.
- B. Reviewed identification of intangible assets, fair value measurement of identifiable intangible assets, discount rates and the reasonableness of goodwill calculation in the purchase price allocation report prepared by external experts.

Intangible assets (including subsidiaries) - Impairment assessment of goodwill

Refer to Note 4(21) for the accounting policies on impairment of non-financial assets. Refer to Notes 5(2) and 6(10) for the impairment assessment of goodwill including critical accounting estimates.

As at December 31, 2022, the recognised goodwill as a result of the investments in Cyntec Co., Ltd., ELTEK AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., March Network Holdings Ltd.,

Amerlux LLC and Trihedral Engineering Limited amounted to NT\$17,720,161 thousand. As the balance of goodwill acquired from the merger is material, the assumptions used in assessing goodwill impairment involves significant accounting estimates which are complex and have high uncertainty, we consider the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

We performed the following procedures for the above key audit matter:

- A. Understood the process of goodwill impairment assessment, obtained the assessment form provided by management and assessed whether the valuation models adopted by management are reasonable for the industry, environment and the valued assets of the Company.
- B. Assessed the reasonableness of material assumptions, such as expected future cash flows, expected growth rates, operating margin and discount rates, by:
 - (a) Checking the setting of parameters of valuation models and calculation formulas;
 - (b) Confirming whether the expected future cash flows are in agreement with the budget provided by the business units;
 - (c) Comparing the expected growth rate and operating margin with historical data, economic and industrial forecast documents; and
 - (d) Comparing the discount rate with cost of capital assumptions of cash generating units and rates of return of similar assets.
- C. Performed a sensitivity analysis on the value of significant assumptions to assess the risk of impairment of goodwill if there is a change in significant assumptions.

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\$31,866,553 thousand and NT\$24,832,494 thousand, constituting 11.10% and 10.15% of total assets as at December 31, 2022 and 2021, respectively, and the comprehensive income recognised from these

associates and joint ventures accounted for under the equity method amounted to NT\$8,588,314 thousand and NT\$2,420,288 thousand, constituting 18.64% and 10.40% of the total comprehensive income for the years then ended, respectively.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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, 2022 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 \$30.71 to US\$1.00 at December 31, 2022. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Hsiao, Chun-Yuan Chou, Chien-Hung
for and on behalf of PricewaterhouseCoopers, Taiwan
February 22, 2023

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2022	December 31, 2022	December 31, 2021
Current assets				
Cash and cash equivalents	6(1)	\$ 62,148	\$ 1,908,576	\$ 1,157,090
Financial assets at amortised cost – current	8	3,573	109,726	121,608
Contract assets - current	6(19)	137,577	4,224,981	4,426,275
Notes receivable, net	6(4)	785	24,120	20,511
Accounts receivable, net	6(4)	304,420	9,348,724	5,544,419
Accounts receivable - related parties	7	288,097	8,847,460	8,879,653
Other receivables		4,116	126,404	87,055
Other receivables - related parties	7	25,891	795,114	426,128
Inventories	6(5)	302,140	9,278,702	7,095,719
Prepayments		42,745	1,312,705	1,082,471
Non-current assets held for sale	6(7)	-	-	320,551
Other current assets		138	4,237	2,330
Total current assets		<u>1,171,630</u>	<u>35,980,749</u>	<u>29,163,810</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	30,408	933,824	947,722
Financial assets at fair value through other comprehensive income - non-current	6(3)	43,752	1,343,614	1,135,640
Contract assets - non-current	6(19)	10,260	315,074	406,546
Investments accounted for under the equity method	6(6)	7,092,313	217,804,951	184,416,439
Property, plant and equipment	6(7)	897,539	27,563,418	24,975,829
Right-of-use assets	6(8)	18,329	562,898	436,902
Intangible assets	6(9)	33,410	1,026,018	1,907,000
Deferred income tax assets	6(26)	30,780	945,264	713,673
Other non-current assets	6(4)(10)	18,957	582,168	558,096
Total non-current assets		<u>8,175,748</u>	<u>251,077,229</u>	<u>215,497,847</u>
Total assets		<u>\$ 9,347,378</u>	<u>\$ 287,057,978</u>	<u>\$ 244,661,657</u>

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DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2022	December 31, 2022	December 31, 2021
Current liabilities				
Short-term borrowings	6(11)	\$ -	\$ -	\$ 1,400,000
Contract liabilities - current	6(19)	83,444	2,562,573	2,455,259
Accounts payable		202,449	6,217,212	4,296,842
Accounts payable - related parties	7	357,611	10,982,225	7,242,026
Other payables	6(12)	517,794	15,901,462	13,576,568
Other payables - related parties	7	4,161	127,790	221,839
Current income tax liabilities	6(26)	72,761	2,234,481	1,350,426
Other current liabilities		15,763	484,074	377,331
Total current liabilities		<u>1,253,983</u>	<u>38,509,817</u>	<u>30,920,291</u>
Non-current liabilities				
Bonds payable	6(13)	377,727	11,600,000	-
Long-term borrowings	6(14)	1,049,061	32,216,656	43,303,780
Deferred income tax liabilities	6(26)	479,343	14,720,638	11,940,925
Lease liabilities - non-current		16,715	513,313	414,829
Other non-current liabilities	6(15)	88,201	2,708,647	3,295,310
Total non-current liabilities		<u>2,011,047</u>	<u>61,759,254</u>	<u>58,954,844</u>
Total liabilities		<u>3,265,030</u>	<u>100,269,071</u>	<u>89,875,135</u>
Equity				
Share capital	6(16)			
Common stock		845,830	25,975,433	25,975,433
Capital surplus	6(17)			
Capital surplus		1,606,049	49,321,767	49,114,151
Retained earnings	6(18)			
Legal reserve		1,054,585	32,386,305	29,697,752
Special reserve		526,432	16,166,722	12,543,208
Unappropriated retained earnings		2,146,120	65,907,358	53,622,701
Other equity interest				
Other equity interest		(96,668)	(2,968,678)	(16,166,723)
Total equity		<u>6,082,348</u>	<u>186,788,907</u>	<u>154,786,522</u>
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		<u>\$ 9,347,378</u>	<u>\$ 287,057,978</u>	<u>\$ 244,661,657</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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2022	2022	2021	2021
Operating revenue	6(19) and 7	\$ 2,690,911	\$ 82,637,878	\$ 66,921,116	
Operating costs	6(5)(24) (25)and 7	(1,723,214)	(52,919,921)	(41,069,033)	
Gross Profit		967,697	29,717,957	25,852,083	
Operating expenses	6(24)(25)				
Selling expenses		(44,044)	(1,352,580)	(1,111,092)	
General and administrative expenses		(107,397)	(3,298,161)	(2,990,395)	
Research and development expenses		(512,696)	(15,744,908)	(13,255,339)	
Expected credit impairment (loss) gain	12(2)	(1,201)	(36,872)	70,884	
Total operating expenses		(665,338)	(20,432,521)	(17,285,942)	
Operating profit		302,359	9,285,436	8,566,141	
Non-operating income and expenses					
Interest income	6(20)	568	17,441	3,200	
Other income	6(21)	34,544	1,060,832	991,186	
Other gains and losses	6(22)	(9,687)	(297,475)	(34,675)	
Finance costs	6(23)	(15,589)	(478,732)	(210,706)	
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	895,561	27,502,684	20,804,995	
Total non-operating income and expenses		905,397	27,804,750	21,554,000	
Profit before income tax		1,207,756	37,090,186	30,120,141	
Income tax expense		(144,072)	(4,424,458)	(3,323,839)	
Profit for the year		\$ 1,063,684	\$ 32,665,728	\$ 26,796,302	
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(15)	\$ 344	\$ 10,565	(\$ 4,685)	
Unrealised gain (loss) on valuation of equity investment at fair value through other comprehensive income	6(3)	6,772	207,974	(283,259)	
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		6,827	209,666	(46,271)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(68)	(2,113)	937	
Other comprehensive income (loss) that will not be reclassified to profit or loss		13,875	426,092	(333,278)	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		532,058	16,339,507	(2,302,537)	
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		(82,654)	(2,538,309)	(1,103,262)	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss		(26,413)	(811,127)	204,793	
Other comprehensive income (loss) that will be reclassified to profit or loss		422,991	12,990,071	(3,201,006)	
Other comprehensive income (loss) for the year		\$ 436,866	\$ 13,416,163	(\$ 3,534,284)	
Total comprehensive income for the year		\$ 1,500,550	\$ 46,081,891	\$ 23,262,018	
Earnings per share					
Basic earnings per share		\$ 0.41	\$ 12.58	\$ 10.32	
Diluted earnings per share		\$ 0.41	\$ 12.52	\$ 10.27	

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, 2022 AND 2021
(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 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(18)									
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
<u>2022 New Taiwan Dollars</u>										
Balance at January 1, 2022		\$ 25,975,433	\$ 49,114,151	\$ 25,697,752	\$ 12,543,208	\$ 53,622,701	(\$ 15,520,287)	(\$ 776,353)	\$ 129,917	\$ 154,786,522
Profit for the year		-	-	-	-	32,665,728	-	-	-	32,665,728
Other comprehensive income for the year		-	-	-	-	209,626	12,990,071	216,466	-	13,416,163
Total comprehensive income for the year		-	-	-	-	32,875,354	12,990,071	216,466	-	46,081,891
Distribution of 2021 earnings	6(18)									
Legal reserve		-	-	2,688,553	-	(2,688,553)	-	-	-	-
Special reserve		-	-	-	3,623,514	(3,623,514)	-	-	-	-
Cash dividends		-	-	-	-	(14,286,479)	-	-	-	(14,286,479)
Changes in ownership interests in subsidiaries		-	192,294	-	-	-	-	-	-	192,294
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,322	-	-	(643)	-	-	-	14,679
Disposal of equity investment at fair value through other comprehensive income		-	-	-	-	8,492	-	(8,492)	-	-
Balance at December 31, 2022		\$ 25,975,433	\$ 49,321,767	\$ 32,386,305	\$ 16,166,722	\$ 65,907,358	(\$ 2,530,216)	(\$ 568,379)	\$ 129,917	\$ 186,788,907

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DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(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>2022 US Dollars</u>										
Balance at January 1, 2022		\$ 845,830	\$ 1,599,288	\$ 967,038	\$ 408,441	\$ 1,746,099	(\$ 505,383)	(\$ 25,280)	\$ 4,231	\$ 5,040,264
Profit for the year		-	-	-	-	1,063,684	-	-	-	1,063,684
Other comprehensive income for the year		-	-	-	-	6,825	422,992	7,049	-	436,866
Total comprehensive income for the year		-	-	-	-	1,070,509	422,992	7,049	-	1,505,550
Distribution of 2021 earnings	6(18)									
Legal reserve		-	-	87,547	-	(87,547)	-	-	-	-
Special reserve		-	-	-	117,991	(117,991)	-	-	-	-
Cash dividends		-	-	-	-	(465,206)	-	-	-	(465,206)
Changes in ownership interests in subsidiaries		-	6,262	-	-	-	-	-	-	6,262
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	499	-	-	(21)	-	-	-	478
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	277	-	(277)	-	-
Balance at December 31, 2022		\$ 845,830	\$ 1,606,049	\$ 1,054,585	\$ 526,432	\$ 2,146,120	(\$ 82,391)	(\$ 18,508)	\$ 4,231	\$ 6,082,348

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2022	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax for the year		\$ 1,207,756	\$ 37,090,186	\$ 30,120,141
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(7)(8)(24)	69,626	2,138,222	1,841,913
Amortisation	6(9)(24)	18,873	579,598	604,213
Expected credit impairment loss (gain)	12(2)	1,201	36,872 (70,884)
Interest expense	6(23)	15,589	478,732	210,706
Interest income	6(20)	(568)	(17,441)	(3,200)
Dividend income	6(21)	(1,847)	(56,716)	(62,230)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	(895,561)	(27,502,684)	(20,804,995)
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(22)	216	6,645 (31,884)
Gain on disposal of property, plant and equipment	6(22)	(16,877)	(518,296)	(573)
Loss on right-of-use assets surrender in advance		1	16	74
Impairment loss on non-financial assets	6(9)(22)	13,584	417,151	-
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Contract assets		9,533	292,766 (1,840,594)
Notes receivable		(118)	(3,609)	13,621
Accounts receivable		(125,311)	(3,848,312)	1,353,019
Accounts receivable - related parties		1,048	32,193 (1,536,348)
Overdue receivables		233	7,147 (9,961)
Other receivables		(1,535)	(47,153)	(20,428)
Other receivables - related parties		(12,015)	(368,986)	194,819
Inventories		(71,084)	(2,182,983)	(2,680,120)
Prepayments		4,070	124,988 (251,762)
Other current assets		(62)	(1,907)	1,867
Other non-current assets		54	1,671	59,831
Net changes in liabilities relating to operating activities				
Contract liabilities		3,486	107,047	60,589
Accounts payable		62,515	1,919,843	1,377,919
Accounts payable - related parties		121,791	3,740,199 (1,429,523)
Other payables		74,514	2,288,318	1,780,912
Other payables - related parties		(3,063)	(94,049)	33,798
Other current liabilities		2,532	77,763 (33,926)
Other non-current liabilities		25,521	783,745	12,322
Cash inflow generated from operations		504,102	15,480,966	8,889,316
Interest received		586	17,990	2,481
Dividends received		233,178	6,853,812	4,785,730
Interest paid		(14,843)	(455,831)	(210,365)
Income taxes paid		(52,996)	(1,627,508)	(1,446,926)
Net cash flows from operating activities		660,027	20,269,429	12,020,236

(Continued)

DELTA ELECTRONICS, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2022	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Decrease in financial assets at amortised cost		\$ 345	\$ 10,608	\$ 27,360
Proceeds from capital reduction of financial assets at fair value through profit or loss		-	-	31,626
Proceeds from capital withdrawal liquidation of financial assets at fair value through profit or loss		81	2,479	-
Acquisition of financial assets at fair value through other comprehensive income		-	-	(14,710)
Acquisition of investments accounted for under the equity method		(25,730)	(790,182)	(144,336)
Acquisition of property, plant and equipment	6(7)	(113,374)	(3,481,711)	(3,876,435)
Proceeds from disposal of property, plant and equipment		25,211	774,219	11,673
Acquisition of intangible assets	6(9)	(14,888)	(457,196)	(1,172,488)
Cash inflow due to business combinations	6(28)	13,606	417,829	-
Proceeds from disposal of financial assets at fair value through profit or loss		155	4,774	-
(Increase) decrease in other non-current assets		(797)	(24,469)	15,517
Net cash flows used in investing activities		(115,391)	(3,543,649)	(5,121,793)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
(Decrease) increase in short-term borrowings	6(29)	(45,588)	(1,400,000)	1,400,000
Proceeds from long-term debt		2,001,447	61,464,441	40,067,024
Repayment of long-term debt		(2,362,474)	(72,551,565)	(35,381,689)
Lease principal repayment		(1,082)	(33,230)	(69,745)
Cash dividends paid	6(18)	(465,206)	(14,286,479)	(14,286,480)
Issuance of bonds payable	6(13)(29)	377,727	11,600,000	-
(Decrease) increase in refundable deposits		(24,990)	(767,461)	1,003,317
Net cash flows used in financing activities		(520,166)	(15,974,294)	(7,267,573)
Net increase (decrease) in cash and cash equivalents		24,470	751,486	(369,130)
Cash and cash equivalents at beginning of year		37,678	1,157,090	1,526,220
Cash and cash equivalents at end of year		\$ 62,148	\$ 1,908,576	\$ 1,157,090

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, 2022 AND 2021
(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 sales 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 22, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became 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.

(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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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 that came into effect 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 an 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 and patents, are amortised on a straight-line basis over their estimated useful lives, which are determined based on economic useful lives or contract terms.

(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) Bonds payable

Ordinary corporate bonds issued by the company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(24) 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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.

(29) 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 3,043	\$ 1,959
Checking accounts and demand deposits	<u>1,905,533</u>	<u>1,155,131</u>
	<u>\$ 1,908,576</u>	<u>\$ 1,157,090</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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	9,151	17,010
Hybrid instrument-convertible bonds	900,000	900,000
	939,994	947,853
Valuation adjustment	(6,170)	(131)
	\$ 933,824	\$ 947,722

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

	Years ended December 31,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 6,645)	\$ 31,884

- 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, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	164,044	164,044
	1,772,743	1,772,743
Valuation adjustment	(429,129)	(637,103)
	\$ 1,343,614	\$ 1,135,640

- 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 \$1,343,614 and \$1,135,640 as at December 31, 2022 and 2021, respectively.

- B. For the years ended December 31, 2022 and 2021, the Company did not dispose any stock investments.

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,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 207,974	(\$ 283,259)

D. As at December 31, 2022 and 2021, 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 were \$1,343,614 and \$1,135,640, 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

	December 31, 2022	December 31, 2021
Notes receivable	\$ 24,120	\$ 20,511
Accounts receivable	\$ 9,397,107	\$ 5,557,030
Less: Allowance for uncollectible accounts	(48,383)	(12,611)
	<u>\$ 9,348,724</u>	<u>\$ 5,544,419</u>
Overdue receivables (shown as other non-current assets)	\$ 4,298	\$ 10,946
Less: Allowance for uncollectible accounts	(4,298)	(10,946)
	<u>\$ 9,348,724</u>	<u>\$ 5,544,419</u>

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

	December 31, 2022	December 31, 2021
Not past due	\$ 8,559,156	\$ 5,284,138
1 to 90 days	738,862	253,937
91 to 180 days	70,946	8,781
181 to 365 days	23,557	5,429
Over 366 days	4,586	4,745
	<u>\$ 9,397,107</u>	<u>\$ 5,557,030</u>

The above aging analysis was based on past due date.

B. As at December 31, 2022 and 2021, there was no notes receivable past due.

C. As at December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2021, the balance of receivables from contracts with customers amounted to \$6,850,725.

- D. The Company has no notes receivable and accounts receivable pledged to others as collateral.
- E. As at December 31, 2022 and 2021, 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 \$24,120 and \$20,511, and accounts receivable were \$9,348,724 and \$5,544,419, respectively.
- F. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 7,674,021	(\$ 2,286,998)	\$ 5,387,023
Work in process	875,645	-	875,645
Finished goods	3,186,901	(431,496)	2,755,405
Inventory in transit	260,629	-	260,629
	<u>\$ 11,997,196</u>	<u>(\$ 2,718,494)</u>	<u>\$ 9,278,702</u>
	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>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 43,790,737	\$ 34,546,808
Loss on market value decline and obsolete and slow-moving inventories	1,396,935	369,426
Others	(79,345)	(65,311)
	<u>\$ 45,108,327</u>	<u>\$ 34,850,923</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, 2022		December 31, 2021	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta International Holding Limited B.V. (DIH)	100.00	\$ 76,736,635	100.00	\$ 67,930,550
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	60,943,728	100.00	43,913,221
Cyntec Co., Ltd. (Cyntec)	100.00	37,441,523	100.00	32,778,207
Delta Electronics (Netherlands) B.V. (DEN)	100.00	26,143,999	100.00	23,258,370
Delta Electronics (Thailand) Public Company Limited (DET) (Note 1)	5.54	5,098,854	5.54	4,473,063
Vivotek Inc. (Vivo)	56.75	4,497,416	55.09	4,110,543
Delta Electronics Capital Company (DECC)	100.00	3,937,867	100.00	4,024,563
Delta Networks Holding Limited (DNH)	100.00	2,160,582	100.00	1,839,478
Allied Material Technology Corp. (AMT) (Note 2)	-	-	99.97	1,585,464
Delta America Ltd. (DAL) (Note 3)	10.26	69,806	10.26	285,784
DelBio Inc. (DelBio)	100.00	183,797	100.00	208,627
Chunghwa SEA Holdings	44.00	8,349	44.00	8,569
Delmind Inc.	70.00	195,819	-	-
Ancora Semiconductors Inc.	67.03	386,576	-	-
		<u>\$ 217,804,951</u>		<u>\$ 184,416,439</u>

Note 1: The Company held 42.85% and 15.39% of the voting power of DET through DEIL-SG and DIH, respectively.

Note 2: AMT was dissolved after the merger with the Company on May 1, 2022.

Note 3: The Company held 89.74% of the voting power of DAL through DEN.

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

Investee	2022	2021
DEIL-SG	\$ 17,508,291	\$ 12,035,873
DEN	5,508,054	5,733,781
DIH	2,365,371	1,236,811
CYNTec	1,349,610	964,114
DET	570,354	287,690
VIVO	305,660	5,510
DECC	(109,159)	552,543
Others	4,503	(11,327)
	<u>\$ 27,502,684</u>	<u>\$ 20,804,995</u>

- C. The financial statements of invests accounted for 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 2022 consolidated financial statements.

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery equipment</u>	<u>Testing equipment</u>	<u>Others</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
<u>At January 1, 2022</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>
<u>2022</u>							
Opening net book amount	\$ 10,247,505	\$ 11,838,771	\$ 989,452	\$ 923,108	\$ 336,215	\$ 640,778	\$ 24,975,829
Additions	-	141,852	410,323	846,575	311,402	1,771,559	3,481,711
Acquired through business combinations	465,687	678,505	-	-	597	-	1,144,789
Disposals	(75,929)	(159,586)	(15,267)	(4,215)	(926)	-	(255,923)
Transfers (Note)	(23,364)	463,231	574,515	148,148	35,716	(877,695)	320,551
Depreciation charge	-	(612,354)	(464,515)	(729,698)	(296,972)	-	(2,103,539)
Closing net book amount	<u>\$ 10,613,899</u>	<u>\$ 12,350,419</u>	<u>\$ 1,494,508</u>	<u>\$ 1,183,918</u>	<u>\$ 386,032</u>	<u>\$ 1,534,642</u>	<u>\$ 27,563,418</u>
<u>At December 31, 2022</u>							
Cost	\$ 10,613,899	\$ 18,563,215	\$ 3,868,177	\$ 5,778,840	\$ 3,365,930	\$ 1,534,642	\$ 43,724,703
Accumulated depreciation and impairment	-	(6,212,796)	(2,373,669)	(4,594,922)	(2,979,898)	-	(16,161,285)
	<u>\$ 10,613,899</u>	<u>\$ 12,350,419</u>	<u>\$ 1,494,508</u>	<u>\$ 1,183,918</u>	<u>\$ 386,032</u>	<u>\$ 1,534,642</u>	<u>\$ 27,563,418</u>

	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. However, the equipment was transferred back from assets held for sale as the Company and the buyer both agreed to terminate the contract for the disposal of the equipment on March 31, 2022.

- 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, 2022</u>	<u>December 31, 2021</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 440,526	\$ 412,047
Buildings and structures	114,985	21,705
Transportation equipment	6,000	3,150
Other equipment	1,387	-
	<u>\$ 562,898</u>	<u>\$ 436,902</u>

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 18,043	\$ 16,642
Buildings and structures	14,012	52,487
Transportation equipment	2,497	2,542
Other equipment	131	21
	<u>\$ 34,683</u>	<u>\$ 71,692</u>

- C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$160,694 and \$21,269, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,106	\$ 5,389
Expense on short-term lease contracts	\$ 74,276	\$ 54,827

- E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$111,612 and \$129,961, 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, 2022</u>	<u>Trademarks</u>	<u>Patents</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</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>2022</u>					
Opening net book amount	\$ 386,823	\$ 44,920	\$ 409,645	\$ 1,065,612	\$ 1,907,000
Additions	-	13,784	-	443,412	457,196
Acquired through business combinations	-	-	13,793	-	13,793
Reclassifications	-	-	-	(355,222)	(355,222)
Amortisation	-	(10,429)	-	(569,169)	(579,598)
Impairment loss	-	-	(417,151)	-	(417,151)
Closing net book amount	<u>\$ 386,823</u>	<u>\$ 48,275</u>	<u>\$ 6,287</u>	<u>\$ 584,633</u>	<u>\$ 1,026,018</u>
<u>At December 31, 2022</u>					
Cost	\$ 413,163	\$ 162,453	\$ 423,438	\$ 1,497,414	\$ 2,496,468
Accumulated amortisation and impairment	(26,340)	(114,178)	(417,151)	(912,781)	(1,470,450)
	<u>\$ 386,823</u>	<u>\$ 48,275</u>	<u>\$ 6,287</u>	<u>\$ 584,633</u>	<u>\$ 1,026,018</u>
<u>At January 1, 2021</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>

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

	Years ended December 31,	
	2022	2021
Operating costs	\$ 3,816	\$ 1,835
Selling expenses	32	427
Administrative expenses	172,101	162,808
Research and development expenses	403,649	439,143
	<u>\$ 579,598</u>	<u>\$ 604,213</u>

B. The Company acquired registered or under-application trademark rights such as , , VIVITEK, 麗訊 and 麗訊. 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, 2022	December 31, 2021
Goodwill:		
MES and others	<u>\$ 6,287</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. An impairment is recognised when the carrying amount exceeds the recoverable amount calculated based on value-in-use. 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.

An impairment loss of \$417,151 was recognised for the year ended December 31, 2022 since the recoverable amount of the cash-generating unit, MES and others, was less than the carrying amount due to its operating revenue failing to meet expectations. The discount rates used in calculating value-in-use were 10.5% and 12.44% on December 31, 2022 and 2021, respectively.

(10) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for business facilities	\$ 390,142	\$ 352,508
Cash surrender value of life insurance	28,106	35,934
Guarantee deposits paid	27,212	32,549
Financial assets at amortised cost - non-current	113,274	112,000
Others	23,434	25,105
	<u>\$ 582,168</u>	<u>\$ 558,096</u>

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unsecured bank loans	\$ -	\$ 1,400,000
Credit lines	\$ 4,058,372	\$ 1,853,389
Interest rate	<u>-%</u>	<u>0.50%</u>

(12) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary, bonus and compensation payable	\$ 12,982,525	\$ 10,231,550
Others	2,918,937	3,345,018
	<u>\$ 15,901,462</u>	<u>\$ 13,576,568</u>

(13) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured corporate bonds	\$ 11,600,000	\$ -

The Company issued domestic unsecured ordinary corporate bonds during the year ended December 31, 2022. The main conditions are as follows:

<u>Issuance</u>	<u>Type of bonds</u>	<u>Issuance period</u>	<u>Total issuance amount</u>	<u>Coupon rate</u>	<u>Repayment term</u>
First issuance in 2022	Tranche A	April 2022 - April 2027	\$ 5,900,000	0.85%	Principal is repayable at maturity and interest is repayable annually
First issuance in 2022	Tranche B	April 2022 - April 2029	700,000	0.90%	//
Second issuance in 2022		April 2022 - April 2025	5,000,000	1.45%	//

(14) Long-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Credit loans	\$ 32,216,656	\$ 43,303,780
Credit lines	\$ 75,320,973	\$ 61,902,079
Interest rate range	0.935%~5.17%	0.31%~0.58%

As at December 31, 2022, the revolving loans of \$25,544,490 can be drawn down during the period from June 1, 2022 to December 11, 2024 and are payable before the due date under the agreement.

(15) 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:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 3,457,297)	(\$ 3,472,042)
Fair value of plan assets	2,088,616	2,038,970
Net defined benefit liability (shown as other non-current liabilities)	(\$ 1,368,681)	(\$ 1,433,072)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	(\$ 3,472,042)	\$ 2,038,970	(\$ 1,433,072)
Current service cost	(21,199)	-	(21,199)
Interest (expense) income	(23,792)	13,899	(9,893)
	<u>(3,517,033)</u>	<u>2,052,869</u>	<u>(1,464,164)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	160,699	160,699
Change in financial assumptions	202,823	-	202,823
Change in demographic assumptions	(12)	-	(12)
Experience adjustments	(352,945)	-	(352,945)
	<u>(150,134)</u>	<u>160,699</u>	<u>10,565</u>
Pension fund contribution	-	40,361	40,361
Paid pension	198,810	(165,313)	33,497
Settlement	11,060	-	11,060
Balance at December 31	<u><u>(\$ 3,457,297)</u></u>	<u><u>\$ 2,088,616</u></u>	<u><u>(\$ 1,368,681)</u></u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
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)	5,800	(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	-	-	-
Balance at December 31	<u><u>(\$ 3,472,042)</u></u>	<u><u>\$ 2,038,970</u></u>	<u><u>(\$ 1,433,072)</u></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, 2022 and 2021 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,	
	2022	2021
Discount rate	1.3%	0.7%
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 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	<u>(\$ 79,327)</u>	<u>\$ 82,152</u>	<u>\$ 79,260</u>	<u>(\$ 76,954)</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>

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, 2023 amount to \$43,181.

(g) As at December 31, 2022, the weighted average duration of the retirement plan is 9 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, 2022 and 2021 were \$488,926 and \$408,253, respectively.

(16) 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, 2022, 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, 2022, there were 577 thousand units outstanding, representing 2,885 thousand common shares of the Company's common stock.**

(17) **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.

(18) **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 2021 and 2020 earnings had been approved by the shareholders during their meeting on June 14, 2022 and July 19, 2021, respectively. Details are summarised below:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 2,688,553		\$ 2,355,218	
Special reserve appropriated	3,623,514		4,921,174	
Cash dividends (Note)	14,286,488	\$ 5.5	14,286,488	\$ 5.5

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 2022 earnings had been proposed by the Board of Directors on February 22, 2023. Details are summarised below:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Appropriation for legal reserve	\$ 3,288,320	
Appropriation for special reserve	13,198,044	
Cash dividends	25,559,826	\$ 9.84

As at February 22, 2023, the abovementioned 2022 earnings appropriation has not yet been approved by the stockholders.

(19) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	\$ 82,637,878	\$ 66,921,116

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, 2022				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 19,214,705	\$ 11,302,403	\$ 30,388,494	\$ 21,732,276	\$ 82,637,878
Timing of revenue recognition					
At a point in time	16,532,574	8,801,194	27,215,070	381,571	52,930,409
Over time	2,682,131	2,501,209	3,173,424	21,350,705	29,707,469
	\$ 19,214,705	\$ 11,302,403	\$ 30,388,494	\$ 21,732,276	\$ 82,637,878
	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

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,	
	2022	2021
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.	\$ 2,455,259	\$ 2,394,670

(20) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 17,441	\$ 3,200

(21) Other income

	Years ended December 31,	
	2022	2021
Sample sales income	\$ 176,751	\$ 230,503
Rental income	79,067	33,501
Testing fee income	76,044	84,857
Mold fee income	60,052	15,467
Dividend income	56,716	62,230
Others	612,202	564,628
	\$ 1,060,832	\$ 991,186

(22) Other gains and losses

	Years ended December 31,	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 518,296	\$ 573
Net currency exchange (loss) gain	(348,624)	34,614
(Loss) gain on financial assets at fair value through	(6,645)	31,884
Impairment loss on non-financial assets	(417,151)	-
Miscellaneous expenses	(43,351)	(101,746)
	(\$ 297,475)	(\$ 34,675)

(23) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	\$ 478,732	\$ 210,706

(24) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 19,568,903	\$ 15,896,855
Depreciation charges on property, plant and equipment	2,103,539	1,770,221
Depreciation charges on right-of-use assets	34,683	71,692
Amortisation charges on intangible assets	579,598	604,213
	<u>\$ 22,286,723</u>	<u>\$ 18,342,981</u>

(25) Employee benefit expense

	Years ended December 31,	
	2022	2021
Post-employment benefits		
Defined contribution plan	\$ 488,926	\$ 408,253
Defined benefit plan	31,092	31,806
	<u>520,018</u>	<u>440,059</u>
Other employee benefits	19,048,885	15,456,796
	<u>\$ 19,568,903</u>	<u>\$ 15,896,855</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, 2022 and 2021, employees' compensation were accrued at \$3,103,244 and \$2,545,649, respectively; while directors' remuneration were accrued at \$55,008 and \$44,200, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2022, 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 \$3,103,244 and directors' remuneration of \$47,520 for 2022 were resolved by the Board of Directors on February 22, 2023. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2022 financial statements. The difference between directors' remuneration resolved by the Board of Directors and the amount recognised in the 2022 financial statements had been accounted for as change in accounting estimate and recognised in profit or loss of 2023.

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. Employees' compensation as resolved by the Board of Directors was in agreement with the amount recognised in the 2021 financial statements. The difference between directors' remuneration resolved by the Board of Directors and the amount recognised in the 2021 financial statements had been accounted for as change in accounting estimate and recognised in profit or loss for 2022.

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.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 2,787,711	\$ 1,952,291
Tax on undistributed surplus earnings	172,579	-
Prior year income tax overestimation	(441,385)	-
Total current tax	<u>2,518,905</u>	<u>1,952,291</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,905,553</u>	<u>1,371,548</u>
Income tax expense	<u>\$ 4,424,458</u>	<u>\$ 3,323,839</u>

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

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit plan	\$ 2,113	(\$ 937)
Gain or loss on hedging instruments	-	(78)
Currency translation differences	<u>811,127</u>	<u>(204,715)</u>
	<u>\$ 813,240</u>	<u>(\$ 205,730)</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 7,418,038	\$ 6,024,028
Effects from items adjusted in accordance with tax regulations	(1,890,540)	(1,914,487)
Effect from investment tax credits	(834,234)	(785,702)
Prior year income tax overestimation	(441,385)	-
Tax on undistributed surplus earnings	<u>172,579</u>	<u>-</u>
	<u>\$ 4,424,458</u>	<u>\$ 3,323,839</u>

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

	2022				December 31
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	
Deferred tax assets:					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 243,126	\$ 249,742	\$ -	\$ -	\$ 492,868
Pension liability	282,463	(11,374)	(2,113)	-	268,976
Assets impairment	6,571	6,283	-	-	12,854
Others	181,513	(10,947)	-	-	170,566
	<u>713,673</u>	<u>233,704</u>	<u>(2,113)</u>	<u>-</u>	<u>945,264</u>
Deferred tax liabilities:					
- Temporary differences:					
Land value increment tax	(119,862)	-	-	-	(119,862)
Long-term equity investments	(11,405,185)	(2,111,655)	(811,127)	170,671	(14,157,296)
Others	(415,878)	(27,602)	-	-	(443,480)
	<u>(11,940,925)</u>	<u>(2,139,257)</u>	<u>(811,127)</u>	<u>170,671</u>	<u>(14,720,638)</u>
	<u>(\$ 11,227,252)</u>	<u>(\$ 1,905,553)</u>	<u>(\$ 813,240)</u>	<u>\$ 170,671</u>	<u>(\$ 13,775,374)</u>

	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>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2022 and 2021, the amounts of temporary differences unrecognised as deferred tax liabilities were \$9,027,005 and \$8,265,696, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Year ended December 31, 2022		
	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	\$ 32,665,728	2,597,543	\$ 12.58
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 32,665,728	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	12,313	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 32,665,728	2,609,856	\$ 12.52

	Year ended December 31, 2021		
	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	\$ 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

(28) Business combinations

A. Business combinations of the Company for the year ended December 31, 2022 are as follows:

Based on the resolution of the Board of Directors on February 24, 2022, the Company consummated a short-form merger with the subsidiary, Allied Material Technology Corp., pursuant to Article 19 of the Enterprises Mergers and Acquisitions Act. The merger became effective on May 1, 2022, with the Company the surviving entity after the merger.

B. The book value of Allied Material Technology Corp. on the acquisition date is shown as follows:

	May 1, 2022
Accounts receivable, net	\$ 12
Other receivables	89
Property, plant and equipment	1,144,789
Intangible assets	13,793
Contract liabilities - current	(267)
Accounts payable	(527)
Other payables	(9,474)
Other non-current liabilities	(6,964)
Cash inflow arising from business combination	417,829
	<u>\$ 1,559,280</u>

(29) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Bonds payable</u>	<u>Long-term borrowings</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2022	\$ 1,400,000	\$ -	\$ 43,303,780	\$ 44,703,780
Changes in cash flow from financing activities	(1,400,000)	11,600,000	(11,087,124)	(887,124)
At December 31, 2022	<u>\$ -</u>	<u>\$ 11,600,000</u>	<u>\$ 32,216,656</u>	<u>\$ 43,816,656</u>

	<u>Short-term borrowings</u>	<u>Bonds payable</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	1,400,000	-	4,685,335	6,085,335
At December 31, 2021	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 43,303,780</u>	<u>\$ 44,703,780</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

<u>Names and relationship of related parties</u>	<u>Relationship with the Company</u>
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Subsidiary
DEI Logistics (USA) Corp. (ALI)	"
Delta Electronics (Americas) Ltd. Company Limited (DET)	"
Cyntec Co., Ltd. (Cyntec)	"
Delta Electronics (Jiangsu) Ltd.	"
Delta Electronics (Japan), Inc.(DEJ)	"
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,	
	2022	2021
Sales of goods:		
Subsidiaries		
ALI	\$ 10,269,538	\$ 8,247,436
Others	6,423,928	3,416,952
Associates	5,482	4,698
Director of the Company	-	3,719
	<u>\$ 16,698,948</u>	<u>\$ 11,672,805</u>
	Years ended December 31,	
	2022	2021
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 20,303,726	\$ 16,839,802
Others	5,578,490	5,075,432
	<u>\$ 25,882,216</u>	<u>\$ 21,915,234</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 services to related parties arise mainly from licensing patent technologies and intellectual property and are recognised as revenue on a usage basis.

B. Purchases

	Years ended December 31,	
	2022	2021
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 21,989,667	\$ 18,732,917
Others	447,587	331,374
Associates	81,255	18,288
Purchases of services and others:		
Subsidiaries	2,274,162	2,048,473
	<u>\$ 24,792,671</u>	<u>\$ 21,131,052</u>

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Receivables from related parties:		
Subsidiaries		
ALI	\$ 3,532,586	\$ 3,138,970
DEIL-SG	1,959,034	3,415,571
Others	3,355,175	2,324,746
Associates	<u>665</u>	<u>366</u>
	<u>\$ 8,847,460</u>	<u>\$ 8,879,653</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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 10,221,747	\$ 6,625,861
Others	749,807	609,492
Associates	<u>10,671</u>	<u>6,673</u>
	<u>\$ 10,982,225</u>	<u>\$ 7,242,026</u>

The payables to related parties arise mainly from purchase transactions and purchase of services 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, 2022</u>	<u>December 31, 2021</u>
Other receivables-related parties		
Subsidiaries		
DEIL-SG	\$ 453,052	\$ 301,878
ALI	106,804	46,189
DEJ	213,234	-
Others	20,024	77,576
Associates	<u>2,000</u>	<u>485</u>
	<u>\$ 795,114</u>	<u>\$ 426,128</u>

The above pertain mainly to payments on behalf of others.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables-related parties:		
Subsidiaries		
DEIL-SG	\$ 69,984	\$ 162,592
Others	<u>57,806</u>	<u>59,247</u>
	<u>\$ 127,790</u>	<u>\$ 221,839</u>

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

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Salaries and other short-term employee benefits	\$ 306,489	\$ 261,406
Post-employment benefits	<u>737</u>	<u>599</u>
	<u>\$ 307,226</u>	<u>\$ 262,005</u>

8. PLEGDED 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>2022</u>	<u>December 31,</u> <u>2021</u>	
Time deposits (shown as financial assets at amortised cost - current)	\$ 109,726	\$ 121,608	Warranty guarantee
Time deposits (shown as other non-current assets)	<u>113,274</u>	<u>112,000</u>	Performance guarantee
	<u>\$ 223,000</u>	<u>\$ 233,608</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, 2022</u>	<u>December 31, 2021</u>
Costs of computer software	\$ 540,541	\$ 66,360
Property, plant and equipment	<u>4,214,972</u>	<u>505,895</u>
	<u>\$ 4,755,513</u>	<u>\$ 572,255</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. Information about the appropriation of 2022 earnings of the Company is provided in Note 6(18) E.

- B. On January 12, 2023, the Company issued the 2023 first unsecured ordinary corporate bonds in the amount of \$5,000,000.
- C. To strengthen networking solution capability, on February 1, 2023, the Company acquired 13,825 thousand shares of Atrust Computer Corp. (Atrust Computer) from its existing shareholders for at \$45.95 (in dollars) per share and subscribed 15,000 thousand new shares issued by Atrust Computer at a price of \$21 (in dollars) per share to obtain a 55% equity interest in Atrust Computer for a total consideration of approximately \$950 million.

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, 2022</u>	<u>December 31, 2021</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	\$ 933,824	\$ 947,722
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,343,614	\$ 1,135,640
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,908,576	\$ 1,157,090
Notes receivable	24,120	20,511
Accounts receivable	18,196,184	14,424,072
Other receivables	921,518	513,183
Guarantee deposits paid	27,212	32,549
Financial assets at amortised cost	223,000	233,608
	<u>\$ 21,300,610</u>	<u>\$ 16,381,013</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 1,400,000
Accounts payable	17,199,437	11,538,868
Other accounts payable	16,029,252	13,798,407
Bonds payable	11,600,000	-
Long-term borrowings	32,216,656	43,303,780
Guarantee deposits received	364,315	1,131,776
	<u>\$ 77,409,660</u>	<u>\$ 71,172,831</u>
Lease liabilities (including current portion)	<u>\$ 570,754</u>	<u>\$ 443,290</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, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,369	30.710	\$ 17,577,440
EUR:NTD	23,124	32.720	756,621
<u>Non-monetary items</u>			
USD:NTD	\$ 5,407,188	30.710	\$ 166,054,750
THB:NTD	5,702,778	0.8941	5,098,854
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 577,496	30.710	\$ 17,734,912
EUR:NTD	17,433	32.720	570,413

December 31, 2021			
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<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

- 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, 2022 and 2021 amounted to (\$348,624) and \$34,614, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2022			
(Foreign currency: functional currency)	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%	\$ 175,774	\$ -
EUR : NTD	1%	7,566	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 177,349	\$ -
EUR : NTD	1%	5,704	-

(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	\$ -

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 price of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$338 and \$407, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$12,685 and \$10,605, 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

The Company's main interest rate risk arises from long-term borrowings and bonds payable. 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 and bonds payable issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings mainly bear variable interest rates and bonds payable bear fixed interest rates. During 2022 and 2021, the Company's borrowings at variable rates were denominated in NTD and USD, and bonds payable at fixed rates were denominated in NTD. On December 31, 2022 and 2021, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased by \$64,433 and \$86,608, 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, 2022 and 2021. On December 31, 2022 and 2021, 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, 2022</u>			
Expected loss rate	0.00%	1.93%	25.00%
Total book value	\$ 8,559,156	\$ 738,862	\$ 70,946
Loss allowance	\$ -	\$ 14,285	\$ 17,735
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	49.99%	100.00%	
Total book value	\$ 23,557	\$ 4,586	\$ 9,397,107
Loss allowance	\$ 11,777	\$ 4,586	\$ 48,383

	Not past due	1-90 days past due	91-180 days past due
<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
	181-365 days past due	Over 366 days past due	Total
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

- 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:

	2022				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 12,611	\$ -	\$ 10,946	\$ 23,557
Reclassification	-	(4,111)	-	4,111	-
Provision for impairment	-	40,712	-	-	40,712
Reversal of impairment loss	-	-	-	(3,840)	(3,840)
Write-offs	-	(829)	-	(7,418)	(8,247)
Others	-	-	-	499	499
At December 31	\$ -	\$ 48,383	\$ -	\$ 4,298	\$ 52,681
	2021				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
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

For provisioned loss for the years ended December 31, 2022 and 2021, the reversal of (provision for) impairment losses arising from customers' contracts amounted to (\$36,872) and \$70,884, 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, 2022</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)	\$ 17,199,437	\$ -	\$ -	\$ -
Other payables (including related parties)	16,029,252	-	-	-
Lease liabilities (including current portion)	57,441	52,280	98,717	362,316
Bonds payable	-	-	10,900,000	700,000
Long-term borrowings	-	30,411,656	1,805,000	-

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	-

- 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, 2022</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	\$ 33,824	\$ -	\$ -	\$ 33,824
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value				
through other comprehensive income				
Equity instruments	1,268,502	-	75,112	1,343,614
	<u>\$ 1,302,326</u>	<u>\$ 900,000</u>	<u>\$ 75,112</u>	<u>\$ 2,277,438</u>
<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	1,060,528	-	75,112	1,135,640
	<u>\$ 1,101,186</u>	<u>\$ 900,000</u>	<u>\$ 82,176</u>	<u>\$ 2,083,362</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, 2022 and 2021, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 82,176	\$ 171,153
Losses recognised in other comprehensive income	-	(88,931)
Gains recognised in profit or loss	189	16,870
Acquired during the year	-	14,710
Proceeds from capital reduction	-	(31,626)
Disposals during the period	(4,774)	-
Others	(2,479)	-
At December 31	<u>\$ 75,112</u>	<u>\$ 82,176</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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 60,402	Most recent non-active market price	Not applicable	-	Not applicable
	14,710	Market comparable companies	Price to book ratio multiple	1.44~3.50 (1.98)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

	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

- I. The Company's valuation techniques are based on the most recent non-active market price after carefully assessing the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. There was no such situation as of December 31, 2021. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 for the year ended December 31, 2022 if the inputs used to valuation models have changed:

		December 31, 2022			
		Recognised in profit or loss		Recognised in other comprehensive income (loss)	
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 264 (\$ 264)

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: Please refer to table 6.
- 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 7.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 8.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 11.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 7, 8 and 9 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, 2022.

(4) Major shareholders information

Major shareholders information: Please refer to table 12.

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, 2022

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

Items	Summary	Amount	Note
Cash on hand and revolving funds		\$ 3,043	
Demand deposits		1,458,462	
Foreign exchange deposits	(USD 9,302 thousand, exchange rate: 30.710)	285,661	
	(JPY 250,835 thousand, exchange rate: 0.2324)	58,294	
	(HKD 3,352 thousand, exchange rate: 3.938)	13,202	
	(EUR 2,710 thousand, exchange rate: 32.720)	88,680	
	(RMB 92 thousand, exchange rate: 4.41451)	404	
Checking accounts deposits		<u>830</u>	
		<u>\$ 1,908,576</u>	

DELTA ELECTRONICS, INC.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022

(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		\$ 1,754,591	
B Company		1,503,372	
C Company		503,225	
Others (Note)		<u>5,635,919</u>	The balance of each customer has not exceeded 5% of accounts receivable.
		9,397,107	
Less: Allowance for bad debts		(<u>48,383</u>)	
		<u>\$ 9,348,724</u>	

Note: The accounts receivable past due over one year amounted to \$4,586 for which the Company has recognised allowance for doubtful accounts.

DELTA ELECTRONICS, INC.
DETAILS OF INVENTORIES
DECEMBER 31, 2022

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

Items	Amount		Note
	Cost	Market value	
Raw materials	\$ 7,674,021	\$ 7,715,150	The net realisable value is the net market value.
Work in progress	875,645	875,645	"
Finished goods	3,186,901	3,366,523	"
Inventory in transit	260,629	260,629	"
	<u>\$ 11,997,196</u>	<u>\$ 12,217,947</u>	

Note: As at December 31, 2022, the amount of loss on market value decline and obsolete and slow-moving inventories is \$2,718,494.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(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	\$ 67,930,550	-	\$ 8,806,085	-	\$ -	67,680	100.00	\$ 76,736,635	\$ 1,133.82	\$ 76,736,635	None	
Cyntec Co., Ltd.	2,341,204	32,778,207	-	4,663,316	-	-	2,341,204	100.00	37,441,523	15.99	37,441,523	"	
Delta Networks Holding Limited	83,800	1,839,478	-	321,104	-	-	83,800	100.00	2,160,582	25.78	2,160,582	"	
Delta Electronics Int'l (Singapore) Pte. Ltd.	45,234	43,913,221	-	17,030,507	-	-	45,234	100.00	60,943,728	1,347.29	60,943,728	"	
Delta Electronics (Thailand) Public Company Limited	69,128	4,473,063	-	625,791	-	-	69,128	5.54	5,098,854	742.10	51,300,200	"	
Allied Material Technology Corp (Note2)	211,401	1,585,464	-	-	(211,401)	(1,585,464)	-	-	-	-	-	-	-
Delta Electronics Capital Company	350,000	4,024,563	41,967	-	-	(86,696)	391,967	100.00	3,937,867	10.05	3,937,867	None	
Delta Electronics (Netherlands) B.V.	128,492	23,258,370	-	2,885,629	-	-	128,492	100.00	26,143,999	203.47	26,143,999	"	
DelBio Inc.	21,762	208,627	-	-	-	(24,830)	21,762	100.00	183,797	8.45	183,797	"	
Delta America Ltd.	2,100	285,784	-	-	-	(215,978)	2,100	10.26	69,806	33.24	69,806	"	
Vivotec Inc.	47,692	4,110,543	1,436	386,873	-	-	49,128	56.75	4,497,416	197.00	12,581,696	"	
Chunghwa SEA Holdings	880	8,569	-	-	-	(220)	880	44.00	8,349	9.49	8,349	"	
Delmind Inc.	-	-	21,000	195,819	-	-	21,000	70.00	195,819	9.32	195,819	"	
Ancora Semiconductors Inc.	-	-	37,000	386,576	-	-	37,000	67.03	386,576	10.45	386,576	"	
Total		<u>\$ 184,416,439</u>		<u>\$ 35,301,700</u>		<u>(\$ 1,913,188)</u>			<u>\$ 217,804,951</u>		<u>\$ 272,090,577</u>		

Note 1: Shares in thousands.

Note 2: The investee was merged with the Company in 2022 and was dissolved after the merger with the Company in May 2022.

DELTA ELECTRONICS, INC.
MOVEMENT SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
AND ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to Note 6(7) disclosure.

DELTA ELECTRONICS, INC.
DETAILS OF LONG-TERM BORROWINGS
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Creditor	Summary	Ending balance	Contract period	Interest Rate	Collateralize or pledge	Note
Citibank	Credit Loans	\$ 2,821,300	2022.12.12~2024.12.11	1.46%~5.17%	None	-
DBS Bank, Ltd.	"	4,713,190	2022.09.01~2024.08.30	1.68%~5.09%	"	-
CTBC Bank Co., Ltd.	"	9,135,000	2022.10.01~2026.07.15	1.205%~1.59%	"	-
TFB Bank, Ltd.	"	280,000	2022.06.16~2024.06.16	1.38%	"	-
Mizuho Bank, Ltd.	"	8,080,000	2022.07.01~2024.07.01	1.48%~1.49%	"	-
Sumitomo Mitsui Banking Corporation	"	2,320,000	2022.06.01~2024.05.31	1.49%	"	-
Taishin International Bank	"	<u>4,867,166</u>	2022.08.23~2024.09.15	0.935%~1.135%	"	-
		<u>\$ 32,216,656</u>				

DELTA ELECTRONICS, INC.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount					Repayment Term	Collateral	Note
					Total Issuance Amount	Repayment Paid	Ending Balance	Unamortized Premiums (Discounts)	Carrying Amount			
2022 first unsecured ordinary corporate bonds - Tranche A	CTBC Bank Co., Ltd.	2022/4/7	Note(1)	0.85	\$ 5,900,000	\$ -	\$ 5,900,000	\$ -	\$ 5,900,000	Principal is payable in full at maturity	None	
2022 first unsecured ordinary corporate bonds - Tranche B	CTBC Bank Co., Ltd.	2022/4/7	Note(1)	0.9	700,000	-	700,000	-	700,000	"	"	
2022 second unsecured ordinary corporate bonds	CTBC Bank Co., Ltd.	2022/10/5	Note(1)	1.45	5,000,000	-	5,000,000	-	5,000,000	"	"	

Note 1: Interest is repayable annually at simple coupon rate from the issuance date.

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2022
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Power electronics	\$ 16,600,407	
Automation	10,197,475	
Infrastructure	28,670,423	
Others	<u>310,657</u>	
Sales revenue	55,778,962	
Service revenue	24,791,675	
Other operating revenue	<u>2,067,241</u>	
Total operating revenue	<u>\$ 82,637,878</u>	

DELTA ELECTRONICS, INC.
DETAILS OF OPERATING COST
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Amount
Raw materials at beginning	\$ 5,763,418
Add: Materials purchased for the year	23,351,756
Less: Raw materials at the end	(7,674,021)
Raw materials in transit	(67,107)
Cost of raw material sales	(875,566)
Scrapped raw materials	(117,059)
Transferred to manufacturing or operating expenses	(191,625)
Direct materials	20,189,796
Direct labor	1,058,504
Manufacturing overhead	2,526,570
Manufacturing cost for the year	23,774,870
Add: Work in progress at the beginning	611,928
Less: Work in progress at the end	(875,645)
Cost of finished goods for the year	23,511,153
Add: Finished goods at the beginning	2,169,100
Finished goods purchases for the year	20,955,101
Less: Finished goods at the end	(3,186,901)
Finished goods in transit	(193,522)
Scrapped finished goods	(31,477)
Transferred to manufacturing overheads or operating expenses	(308,283)
Cost of goods manufactured and sold	42,915,171
Loss on market value decline and obsolete and slow-moving inventories	1,396,935
Others	(79,345)
Cost of goods sold	44,232,761
Cost of raw material sales	875,566
Cost of services	5,968,843
Other operating costs	1,842,751
Operating costs	\$ 52,919,921

DELTA ELECTRONICS, INC.
DETAILS OF MANUFACTURING OVERHEAD
YEAR ENDED DECEMBER 31, 2022
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 978,831	
Depreciation	686,841	
Others	<u>860,898</u>	The balance of each expense account has not exceeded 5% of manufacturing overhead.
Total	<u>\$ 2,526,570</u>	

DELTA ELECTRONICS, INC.
DETAILS OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2022
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Wages and Salaries	\$ 969,498	
Freight	174,149	
Others	<u>208,933</u>	The balance of each expense account has not exceeded 5% of selling expenses.
Total	<u>\$ 1,352,580</u>	

DELTA ELECTRONICS, INC.
DETAILS OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Salaries and Wages	\$ 1,597,601	
Depreciation	655,141	
Others	<u>1,045,419</u>	The balance of each expense account has not exceeded 5% of general and administrative expenses.
Total	<u>\$ 3,298,161</u>	

DELTA ELECTRONICS, INC.
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Note
Salaries and Wages	\$ 10,739,463	
Depreciation	780,753	
Others	<u>4,224,692</u>	The balance of each expense account has not exceeded 5% of research and development expenses.
Total	<u>\$ 15,744,908</u>	

DELTA ELECTRONICS, INC.
DETAILS OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Function Nature	2022			2021		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salaries and Wages	\$ 4,011,218	\$ 13,306,562	\$ 17,317,780	\$ 3,107,967	\$ 10,877,764	\$ 13,985,731
Labor and Health insurance	253,256	760,312	1,013,568	210,433	671,650	882,083
Pension	51,327	468,691	520,018	40,702	399,357	440,059
Directors' remuneration	-	55,408	55,408	-	44,200	44,200
Others	308,532	353,597	662,129	252,324	292,458	544,782
Depreciation	686,841	1,451,381	2,138,222	650,071	1,191,842	1,841,913
Amortisation	3,816	575,782	579,598	1,835	602,378	604,213

Note: A. As at December 31, 2022 and 2021, the number of the Company's employees were 10,664 and 9,786 (excluding overseas employees), including 7 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 \$1,831 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 \$1,621 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 \$1,625 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 \$1,430 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 13.64%. ('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(25)A. for the Company's compensation policy.

Delta Electronics, Inc.

Loans to others

Year ended December 31, 2022

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, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	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	\$ 2,856,030	\$2,856,030	\$ 1,842,600	2.58% (Note 7)	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 32,579,731	\$ 32,579,731	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	18,779,165	18,779,165	18,779,165	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	32,579,731	32,579,731	Note 5
1	Fairview Assets Ltd.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	921,300	921,300	921,300	5.43%	2	-	Additional operating capital	-	None	-	32,579,731	32,579,731	Note 5
2	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	16,798,370	14,433,700	14,433,700	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	767,750	767,750	767,750	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	13,512,400	13,512,400	13,512,400	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	429,940	429,940	429,940	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	70,633	70,633	70,633	2.58% (Note 7)	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
2	Delta International Holding Limited B.V.	Amerlux, LLC	Other receivables - related parties	Yes	1,013,430	952,010	952,010	2.50%	2	-	Additional operating capital	-	None	-	76,559,641	76,559,641	Note 5
3	ELTEK AS	Eltek Italia S.r.l.	Other receivables - related parties	Yes	32,720	-	-	1.90%	2	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	58,800	58,800	58,800	2.00%	2	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	101,705	59,221	59,221	7.75%	2	-	Additional operating capital	-	None	-	3,462,938	3,462,938	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, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	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			
3	ELTEK AS	Eltek s.r.o.	Other receivables - related parties	Yes	\$ 317,384	\$ 317,384	\$ 317,384	1.30%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 3,462,938	\$ 3,462,938	Note 5
3	ELTEK AS	Delta Electronics (Slovakia) s.r.o.	Other receivables - related parties	Yes	392,640	392,640	392,640	2.00%	2	-	Additional operating capital	-	None	-	3,462,938	3,462,938	Note 5
4	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,545,079	1,545,079	1,545,079	4.65%	2	-	Additional operating capital	-	None	-	4,448,975	4,448,975	Note 5
5	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	376,280	363,192	363,192	0.40%	2	-	Additional operating capital	-	None	-	906,978	906,978	Note 5
6	DET International Holding B.V.	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,395,380	2,395,380	2,395,380	1.7%- 4%	2	-	Additional operating capital	-	None	-	7,471,323	7,471,323	Note 5
7	Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Other receivables - related parties	Yes	229,040	229,040	196,320	0.40%	2	-	Additional operating capital	-	None	-	1,227,332	1,227,332	Note 5
8	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,637,783	-	-	3.85%	2	-	Additional operating capital	-	None	-	2,899,112	2,899,112	Note 4
9	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	2,005,953	2,005,953	2,005,953	3.7%- 3.85%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
9	Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Chongqing) Ltd.	Other receivables - related parties	Yes	1,942,384	1,942,384	618,031	4.45%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
9	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Other receivables - related parties	Yes	882,902	882,902	882,902	3.70%	2	-	Additional operating capital	-	None	-	7,075,348	7,075,348	Note 5
10	Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Other receivables - related parties	Yes	89,410	89,410	89,410	2.40%	2	-	Additional operating capital	-	None	-	48,500,856	48,500,856	Note 5
11	Vivotek USA, Inc.	Wellstates Investment, LLC	Other receivables - related parties	Yes	33,781	33,434	33,434	3.90%	2	-	Additional operating capital	-	None	-	382,520	382,520	Note 5

Table 1-2

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 2)	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 6)	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			
12	Universal Instruments Corporation	Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Other receivables - related parties	Yes	\$ 252,459	\$ 201,967	\$ 201,967	0.00%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 2,177,196	\$ 2,177,196	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, 2022, 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: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Note 7: Interest rate was retroactive to January 1, 2022.

Delta Electronics, Inc.
Provision of endorsements and guarantees to others
Year ended December 31, 2022

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, 2022	Outstanding endorsement / guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 1,038,881	\$ 138,195	\$ 138,195	\$138,195	\$ -	0.07%	\$ 1,038,881	N	N	N	Note 2
2	March Networks Holdings Ltd.	March Networks, Inc.	2	129,015	14,741	14,741	14,741	-	0.01%	258,029	N	N	N	Note 3

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

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

Note 2: In accordance with ELTEK AS's "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 30% of ELTEK AS's net assets based on the latest audited or reviewed financial statements, and limit on endorsements single party is 30% of ELTEK AS's net assets based on the latest audited or reviewed financial statements.

Note 3: In accordance with March Networks Holdings Ltd.'s "Procedures for Provision of Endorsements and Guarantees," limit on total endorsements is 10% of March Networks Holdings Ltd.'s net assets based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 5% of March Networks Holdings Ltd.'s net assets based on the latest audited or reviewed financial statements.

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$186,788,907 thousand (2022/12/31).

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

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

Delta Electronics, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

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, 2022				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	\$ 646,229	1.92%	\$ 646,229	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	622,274	5.73%	622,274	
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.	Betacera Inc. common stock, etc.	None	Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss	-	108,935	-	108,935	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - current	608,000	195,168	0.77%	195,168	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	850,275	162,403	0.53%	162,403	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,000	191,766	0.70%	191,766	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	124,586	0.14%	124,586	
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	243,480	0.85%	243,480	
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	108,800	1.93%	108,800	
Delta Electronics Capital Company	WorkWave HoldCo, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	139	208,838	0.20%	208,838	
Delta Electronics Capital Company	UBIQCONN TECHNOLOGY, INC. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,552,279	-	1,552,279	

Table 3-1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	\$ 122,840	19.90%	\$ 122,840	
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	-	43,975	-	43,975	
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	None	Financial assets at fair value through other comprehensive income - non-current	1,454,193	89,874	2.11%	89,874	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	28,859	19.79%	28,859	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	5,374	17.52%	5,374	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	6,622	15.00%	6,622	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	204,249	2.13%	204,249	

Table 3-2

Delta Electronics, Inc.
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2022

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, 2022		Addition		Disposal			Balance as at December 31, 2022		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.	Delta Electronics (Chongqing) Ltd.	Investments accounted for under equity method	Delta Electronics (Chongqing) Ltd.	Affiliated enterprise	-	\$ -	-	\$ 886,098 (Note 1)	-	\$ -	\$ -	\$ -	-	\$ 886,098	
Delta Electronics, Inc.	Ancora Semiconductors Inc.	Investments accounted for under equity method	Ancora Semiconductors Inc.	Affiliated enterprise	-	-	37,000,000	386,576 (Note 2)	-	-	-	-	37,000,000	386,576	
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	Investments accounted for under equity method	(Note 3)	None	-	-	334	3,002,839 (Note 4)	-	-	-	-	100	3,002,839	
ELTEK AS	Gråterudveien 8 AS	Investments accounted for under equity method	Graterudveien Eiendomsinvest AS	None	-	-	-	442,697 (Note 5)	-	-	-	-	-	442,697	
Delta Electronics Capital Company	TaskEasy, Inc. Preference share	Appointed as financial assets at fair value through profit or loss	WorkWave, LLC	None	2,633,872	141,008	-	-	2,633,872	450,483	141,008	309,475	-	-	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	814,240	-	-	-	914,683	814,240 (Note 8)	(Note 6)	-	-	
Cyntec Holding (HK) Limited	Cyntec Electronics (Suzhou) Co., Ltd	Investments accounted for under equity method	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	-	8,697,390	-	-	-	8,656,231	8,697,390 (Note 8)	(Note 7)	-	-	

Note 1: Delta Electronics (H.K.) Ltd. increased its investment in Delta Electronics (Chongqing) Ltd. in the amount of \$1,001,875 in 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 2: Delta Electronics, Inc. increased its investment in Ancora Semiconductors Inc. in the amount of \$470,000 in 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 3: Zohar CDO 2003-1, Limited, Zohar II 2005-1, Limited, Zohar III, Ltd, Francisco Partners II, LP, Francisco Partners Parallel Fund II, LP, Eight Bar Financial Partners I, L.P., Collier Partners 602 LP Inc., Fair Oaks Founder LP and FOLF II LP.

Note 4: Delta International Holding Limited B.V. increased its investment in UI Acquisition Holding Co. in the amount of \$2,797,346 in July and September 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 5: ELTEK AS increased its investment in Gråterudveien 8 AS in the amount of \$440,355 in September and November 2022, which included investment income or loss recognised during the period and adjustments in changes of net value.

Note 6: Delta Electronics (H.K.) Ltd. (DHK) acquired a 49% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited (DNHK). This transaction is resulted from the Group's adjustment in investment structure.

There was no gain or loss on disposal pursuant to related ordinances.

Note 7: Delta Electronics (H.K.) Ltd. (DHK) acquired a 100% equity interest in Cyntec Electronics (Suzhou) Co., Ltd from Cyntec Holding (HK) Limited (CHK). This transaction is resulted from the Group's adjustment in investment structure.

There was no gain or loss on disposal pursuant to related ordinances.

Note 8: Including the adjustments in investment income or loss recognised during the year, acquisition of dividends and adjustments in changes of net value.

Delta Electronics, Inc.
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

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			
Amerlux, LLC	Land and buildings in New Jersey, U.S.A	April 20, 2022	\$ 1,105,313	In accordance with the contract terms	Unicorn Real Estate Investment, LLC.	None	-	-	-	\$ -	By reference to the price quoted by the professional appraisal agency and market value	For future business development	None
DELTA ELECTRONICS (USA) INC.	Land and buildings in Texas, U.S.A	July 5, 2022	1,036,972	"	CREFIII-CCI DATA DRIVE OWNER, LLC	"	-	-	-	-	"	"	"
Delta Electronics (Wuhu) Co., Ltd.	The construction of WUHU Plant 3 and WUHU logistics center	September 20, 2022	606,971	"	Suzhou Tongli Architecture Co., Ltd.	"	-	-	-	-	Price comparison and negotiation	"	"
Delta Electronics (Shanghai) Co., Ltd.	Buildings in Hangzhou City	October 17, 2022	411,736	"	Zhejiang Wangxinhuiying Information Technology Co., Ltd.	"	-	-	-	-	By reference to the price quoted by the professional appraisal agency and market value	"	"
Delta Electronics (Thailand) Public Company Limited	Land in Samutprakarn Province, Thailand	October 25, 2022	339,262	"	Natural person	"	-	-	-	-	"	"	"
Delta Electronics, Inc.	Addition work in Neihu, Taipei	December 29, 2022	695,825 (Note)	"	LI JIN ENGINEERING CO., LTD. etc	"	-	-	-	-	Price comparison and negotiation	"	"

Note: The Board of Directors of the Company approved the Taipei Headquarters Expansion Project with the estimated construction cost of \$495,840 in total on July 31, 2018 and approved to increase the budget on December 29, 2022.

Delta Electronics, Inc.
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 6

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of payment	Gains (losses) on disposal	Relationship with the seller	Reason for disposal	Counterparty	Basis or reference used in setting the price	Other commitments
Delta Electronics, Inc.	Land and buildings of Chungli Plant 2	July 28, 2022	December 15, 1999	\$ 235,646	\$ 756,600	In accordance with the agreements entered into by mutual parties	Note	None	To avoid idle assets	Mu Tian Asset Management Consulting Co., Ltd.	By reference to the price quoted by the professional appraisal agency and market value	Fulfilled in accordance with the agreements entered into by mutual parties

Note: Gains (losses) on disposal amounted to \$498,378 after deducting related taxes.

Delta Electronics, Inc.
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2022

Table 7

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, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	Operating revenue	\$ 605,135	0.74	70 days after issuing invoice			\$ 617,756	3.39	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	Operating revenue	409,785	0.48	70 days after issuing invoice			416,914	2.29	
Delta Electronics, Inc.	Delta Greentech (China) Co., Ltd.	Subsidiary	Operating revenue	165,656	0.21	70 days			44,296	0.24	
Delta Electronics, Inc.	Cyntec Electronics (Suzhou) Co., Ltd	Subsidiary	Operating revenue	177,801	0.20	70 days			460	-	
Delta Electronics, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	486,803	0.58	70 days			14	-	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	414,335	0.47	90 days after delivery			229,998	1.26	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	180,529	0.22	70 days			25,199	0.14	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	434,302	0.54	70 days			83,394	0.46	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	21,159,606	25.52	70 days			1,959,034	10.73	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	3,296,517	3.92	70 days			587,471	3.23	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	10,273,927	12.32	90 days after delivery			3,532,586	19.35	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	4,473,223	5.44	70 days			1,172,744	6.42	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	155,265	0.20	75 days after delivery			66,215	0.37	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	196,800	0.42	70 days			81,447	1.76	

Table 7-1

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 5,369,881	12.41	70 days			\$ 1,367,609	29.40	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	37,866,318	86.59	70 days			3,172,583	68.21	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	138,825	0.17	70 days			42,843	0.41	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	19,215,697	22.52	70 days			4,689,592	44.51	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	738,763	0.87	70 days			158,477	1.50	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	65,037,213	76.24	70 days			5,578,946	52.95	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	134,328	0.40	70 days			42,266	0.53	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	448,702	1.35	70 days			63,088	0.70	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	14,918,790	45.10	70 days			1,488,207	21.21	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,623,467	7.93	70 days			847,641	12.08	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,138,160	3.44	70 days			223,198	3.18	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	154,008	0.47	70 days			122,858	1.75	
Delta Networks (Dongguan) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	115,374	1.46	70 days			36,412	1.76	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,812,556	98.57	70 days			1,982,776	95.78	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	383,328	4.95	70 days			114,878	9.76	

Table 7-2

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 (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 7,357,392	95.04	70 days			\$ 1,053,014	89.42	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	785,661	13.37	70 days			194,763	15.78	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	5,092,251	86.62	70 days			1,039,298	84.22	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,992,711	55.83	70 days			298,083	55.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	511,203	14.30	70 days			128,614	23.82	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,041,436	29.16	70 days			107,938	19.99	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,376,405	28.82	70 days			632,085	43.64	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	159,096	1.94	90 days after delivery			42,444	2.93	
Cyntec Electronics (Suzhou) Co., Ltd	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,337,050	100.00	70 days			1,132,833	99.99	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,144,150	99.99	70 days			480,515	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,253,818	84.22	70 days			371,975	24.82	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	370,279	4.94	70 days			149,532	8.65	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,049,234	22.25	70 days			149,239	12.12	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	116,454	2.46	70 days			16,967	1.38	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	596,518	7.45	70 days			130,350	7.16	

Table 7-3

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 (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 593,144	7.32	70 days			\$ 10,761	0.60	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	154,623	1.94	70 days			19,537	1.07	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	842,485	10.35	180 days			538,892	29.63	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	151,193	3.14	70 days			103,342	9.72	
ELTEK AS	DELTA Electronics (Germany) Gmbh	Affiliated enterprise	Operating revenue	675,107	13.84	70 days			166,564	15.66	
ELTEK AS	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	134,576	2.74	70 days			22,677	2.13	
ELTEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	Operating revenue	660,281	13.52	70 days			157,672	14.82	
ELTEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	Operating revenue	586,233	12.05	70 days			169,648	15.94	
ELTEK AS	Delta Electronics (Poland) Sp. z o.o.	Affiliated enterprise	Operating revenue	102,935	2.11	70 days			55,759	5.24	
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	308,162	6.28	70 days			26,771	2.52	
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	162,460	3.35	70 days			21,177	1.99	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	399,428	8.16	70 days			23,158	2.18	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	Operating revenue	439,501	0.17	70 days			102,981	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS BRASIL LTDA	Affiliated enterprise	Operating revenue	340,465	0.15	90 days after delivery			220,015	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	Affiliated enterprise	Operating revenue	151,440	0.04	90 days after delivery			118,745	0.18	

Table 7-4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,923,551	0.72	70 days			\$ 643,042	0.99	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	25,128,619	9.79	70 days			5,017,631	7.73	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	29,925,525	11.66	70 days			3,566,849	5.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,778,482	2.60	70 days			1,400,254	2.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,765,526	2.27	70 days			795,457	1.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,622,764	1.37	70 days			1,078,299	1.67	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	289,041	0.13	70 days			41,675	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,978,416	0.77	70 days			380,533	0.59	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	Operating revenue	665,867	0.19	70 days			136,965	0.21	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	133,429	0.03	70 days			37,722	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	Operating revenue	237,630	0.05	150 days			111,317	0.17	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Detlta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	149,439	0.07	70 days			8,396	0.01	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	237,835	0.07	75 days after delivery			122,159	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,939,754	0.77	90 days after delivery			944,445	1.46	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	154,106	0.05	70 days			69,476	0.10	

Table 7-5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	Operating revenue	\$ 2,403,506	0.91	70 days			\$ 684,322	1.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	Operating revenue	431,337	0.18	70 days			106,753	0.16	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics International Mexico SA de CV	Affiliated enterprise	Operating revenue	196,249	0.06	70 days			86,833	0.13	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	3,632,160	1.40	70 days			585,981	0.91	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	Operating revenue	1,268,926	0.49	70 days			370,416	0.57	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	108,870	0.01	70 days			23,943	0.04	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	822,298	0.31	70 days			285,936	0.44	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,280,853	0.82	70 days			601,703	0.93	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Green Industrial (Thailand) Co., Ltd.	Affiliated enterprise	Operating revenue	150,893	0.04	70 days			23,994	0.04	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	22,214,879	8.60	70 days			10,264,988	15.83	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	14,420,981	5.62	90 days after delivery			4,710,761	7.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	3,963,153	1.51	70 days			1,345,304	2.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Inc	Affiliated enterprise	Operating revenue	137,644	0.05	75 days after delivery			80,489	0.12	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	8,663,799	3.39	70 days			2,693,692	4.15	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Vietnam) Company Limited	Affiliated enterprise	Operating revenue	197,680	0.06	70 days			35,770	0.06	

Table 7-6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Operating revenue	\$ 1,315,491	28.68	70 days			\$ 544,613	39.08	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,772,755	38.85	70 days			409,260	29.37	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	Operating revenue	274,255	5.97	70 days			198,517	14.24	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,100,963	24.16	70 days			231,492	16.61	
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	Operating revenue	2,023,781	81.51	70 days			124,780	34.70	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	378,129	15.15	70 days			211,445	58.79	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Germany) GmbH	Affiliated enterprise	Operating revenue	239,827	0.24	70 days			4,663	0.02	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	241,649	0.25	90 days after delivery			116,106	0.46	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	260,704	0.29	70 days			56,813	0.22	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	969,255	1.09	70 days			260,611	1.02	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	Operating revenue	295,613	0.32	70 days			60,219	0.23	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	157,441	0.17	70 days			58,304	0.23	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	27,835,608	31.88	90 days after delivery			11,453,192	44.72	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	1,658,815	1.88	70 days			475,793	1.87	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	356,467	0.41	70 days			66,257	0.26	

Table 7-7

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 554,732	4.02	70 days			\$ 9,202	0.54	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	623,500	4.49	70 days			132,095	7.70	
Delta Electronics (Automotive) Americas Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	122,950	100.00	70 days			11,399	100.00	
March Networks Corporation	March Networks, Inc.	Affiliated enterprise	Operating revenue	1,340,339	74.42	30 days	Note 1	Note 1	320,165	97.79	
March Networks S.r.l.	March Networks Corporation	Affiliated enterprise	Operating revenue	215,863	63.69	30 days	Note 2	Note 2	124,342	75.79	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	844,883	8.00	90 days	Note 3	Note 3	252,637	14.00	

Note 1: March Networks Corporation determined the prices and terms of goods sold to March Networks, Inc. based on the economic conditions and market competitiveness of the sales area, and there were no comparable prices and terms available for the goods sold to third parties.

Note 2: March Networks S.r.l. determined the prices and terms of goods sold to March Networks Corporation based on the economic conditions and market competitiveness of the sales area, and there were no comparable prices and terms available for the goods sold to third parties.

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 were no comparable prices and terms available for the goods sold to third parties.

Delta Electronics, Inc.
Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
December 31, 2022

Table 8

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

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics, Inc.	Delta Electronics (Jiangsu) Ltd.	Subsidiary	\$ 617,756	0.89	\$ -		\$ -	
Delta Electronics, Inc.	Delta Electronics (Shanghai) Co., Ltd.	Subsidiary	416,914	1.05	-		121	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	229,998	3.18	17,659		27,134	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	2,412,086	0.37	96,129		2,412,086	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	587,471	6.33	34,003		282,050	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	3,639,390	3.08	-		1,219,924	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	1,172,744	6.15	10		422,510	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	213,234	-	-		83,906	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,367,609	3.77	-		940,578	
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,172,583	9.33	-		3,172,583	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,689,592	3.56	-		3,933,865	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	158,477	4.57	-		65,396	
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,578,946	10.70	6,609		485,537	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	1,488,207	4.98	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	847,641	2.99	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	223,198	4.48	-		84,120	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	122,858	2.51	-		37,916	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,982,776	4.48	-		1,688,678	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	114,878	4.62	-		101,339	

Table 8-1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	\$ 1,053,014	5.90	\$ -		\$ 660,265	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	194,763	3.80	-		65,990	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,039,298	4.85	-		556,080	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	298,083	7.89	-		193,440	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	128,614	4.37	-		252	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	107,938	6.90	-		-	
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,542	-	-		118,542	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	632,085	4.01	-		441,253	
Cyntec Electronics (Suzhou) Co., Ltd	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,132,833	7.76	-		1,126,045	
Cyntec Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	480,515	6.32	-		480,513	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	149,532	3.76	1,693		71,978	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	149,239	5.79	507		129,907	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	130,350	5.97	-		60,440	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	538,892	1.49	9,487		61,149	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	103,342	1.48	-		17,486	
ELTEK AS	DELTA Electronics (Germany) Gmbh	Affiliated enterprise	166,564	4.83	-		87,504	
ELTEK AS	DELTA ELECTRONICS (France) SAS	Affiliated enterprise	157,672	4.69	-		73,555	
ELTEK AS	DELTA ELECTRONICS (UK) LTD	Affiliated enterprise	169,648	4.55	-		67,758	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd	Affiliated enterprise	102,981	4.20	862		24,957	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELETRONICS BRASIL LTDA	Affiliated enterprise	220,015	1.77	35,906		76,778	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK SISTEMAS DE ENERGIA INDUSTRIA E COMERCIO LTDA.	Affiliated enterprise	118,745	1.99	36,429		36,591	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	643,042	2.92	-		273,241	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	5,017,631	4.89	-		2,321,963	

Table 8-2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (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 (Jiangsu) Ltd.	Affiliated enterprise	\$ 3,566,849	8.45	\$ -		\$ 1,997,329	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	1,400,254	5.74	67,339		981,798	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	795,457	6.79	-		435,741	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	1,078,299	3.40	502,466		644,910	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	380,533	4.34	-		132,788	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	136,965	4.07	-		46,061	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS SOLUTIONS (SPAIN) SL	Affiliated enterprise	111,317	2.18	-		20,234	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	122,159	1.91	1,223		23,292	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	944,445	2.62	687		213,582	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	684,322	3.66	-		117,817	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Korea), Inc.	Affiliated enterprise	106,753	4.72	-		55,027	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	585,981	4.81	-		397,328	
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	370,416	4.03	-		215,766	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	285,936	3.63	-		63,329	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	601,703	3.80	4,006		231,877	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	10,264,988	2.63	-		2,262,489	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	4,710,761	2.96	-		1,996,552	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	1,345,304	3.89	629,471		890,827	
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	2,693,692	4.26	1,352,368		604,847	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	544,613	3.59	-		171,536	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	409,260	3.65	6,734		197,764	
Delta Electronics (Slovakia) s.r.o.	Eltek s.r.o.	Affiliated enterprise	198,517	2.41	35,066		85,706	
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	231,492	4.61	-		73,807	

Table 8-3

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Eltek s.r.o.	ELTEK AS	Affiliated enterprise	\$ 124,780	16.07	\$ 809		\$ 124,780	
Eltek s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	211,445	2.66	-		60,137	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	116,106	2.28	15,189		26,804	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	260,611	4.90	5,079		59,651	
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	11,453,192	2.84	1,043,556		2,832,574	
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	475,793	3.63	3,290		199,255	
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	132,095	6.04	-		123,579	
Delta International Holding Limited B.V.	Delta Controls Inc.	Affiliated enterprise	430,895	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	13,601,492	-	-		-	
Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Affiliated enterprise	772,812	-	-		-	
Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	14,541,079	-	-		-	
Delta International Holding Limited B.V.	Amerlux, LLC	Affiliated enterprise	952,010	-	-		-	
DET International Holding B.V.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	2,395,380	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Chongqing) Ltd.	Affiliated enterprise	635,068	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd	Affiliated enterprise	895,515	-	-		-	
Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	2,045,564	-	-		-	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	1,586,190	-	-		-	
Fairview Assets Ltd.	Delta Controls Inc.	Affiliated enterprise	1,846,694	-	-		-	
Fairview Assets Ltd.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	921,856	-	-		-	
Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	18,902,982	-	-		-	
Cyntec Holding (HK) Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	8,656,231	-	-		8,656,231	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	371,975	11.22	-		290,069	

Table 8-4

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Affiliated enterprise	\$ 363,192	-	\$ -		\$ -	
Delta Greentech (Netherlands) B.V.	Eltek s.r.o.	Affiliated enterprise	196,320	-	-		-	
ELTEK AS	Delta Electronics (Slovakia) s.r.o.	Affiliated enterprise	392,640	-	-		-	
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	317,384	-	-		-	
March Networks Corporation	March Networks, Inc.	Affiliated enterprise	320,165	3.80	-		190,190	
March Networks S.r.l.	March Networks Corporation	Affiliated enterprise	124,342	2.84	-		16,491	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	260,479	4.00	-		118,256	
Universal Instruments Corporation	Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Affiliated enterprise	255,588	-	-		-	

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

Note 2: The amount represents collections subsequent to December 31, 2022 up to February 22, 2023.

Delta Electronics, Inc.
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 9

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 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	\$ 21,159,606	(Note 4)	5.50
0	Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	10,273,927	(Note 5)	2.67
0	Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	4,473,223	(Note 4)	1.16
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	5,369,881	(Note 4)	1.40
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	37,866,318	(Note 4)	9.85
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	19,215,697	(Note 4)	5.00
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	65,037,213	(Note 4)	16.92
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	14,918,790	(Note 4)	3.88
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,812,556	(Note 4)	2.03
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,357,392	(Note 4)	1.91
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	5,092,251	(Note 4)	1.32
7	Cyntec Electronics (Suzhou) Co., Ltd	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,337,050	(Note 4)	3.47
8	Cyntec Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,144,150	(Note 4)	1.08
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	25,128,619	(Note 4)	6.54
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	29,925,525	(Note 4)	7.78

Table 9-1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	\$ 6,778,482	(Note 4)	1.76
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,765,526	(Note 4)	1.50
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	22,214,879	(Note 4)	5.78
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	14,420,981	(Note 5)	3.75
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	Operating revenue	3,963,153	(Note 4)	1.03
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	8,663,799	(Note 4)	2.25
10	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	27,835,608	(Note 5)	7.24
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,689,592	(Note 4)	1.10
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,578,946	(Note 4)	1.31
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,017,631	(Note 4)	1.18
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics, Inc.	Ultimate parent company	Accounts receivable	10,264,988	(Note 4)	2.41
9	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	4,710,761	(Note 5)	1.11
10	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	11,453,192	(Note 5)	2.69
11	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	13,601,492	(Note 6)	3.19
11	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	14,541,079	(Note 6)	3.41

Table 9-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 7)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 18,902,982	(Note 6)	4.44
13	Cyntec Holding (HK) Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	8,656,231	(Note 6)	2.03

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

Delta Electronics, Inc.
Information on investees
Year ended December 31, 2022

Table 10

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, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	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	\$ 76,736,635	\$ 2,344,331	\$ 2,365,371	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	2,160,582	41,954	28,761	(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	26,143,999	5,734,560	5,508,054	(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	5,098,854	12,967,705	570,354	(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	37,441,523	1,288,587	1,349,610	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	183,797	(25,851)	(25,511)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	391,967,176	100.00	3,937,867	(109,159)	(109,159)	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Research, development and sales of electronic products	34,498	34,498	45,234,240	100.00	60,943,728	18,076,427	17,508,291	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	-	2,113,978	-	-	-	(25,550)	(25,542)	(Notes 6 and 20)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	69,806	499,272	91,817	(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	4,471,534	4,361,352	49,128,058	56.75	4,497,416	702,194	305,660	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	8,800	880,000	44.00	8,349	(501)	(220)	(Note 6)
Delta Electronics, Inc.	Delmind Inc.	Taiwan	Provide vertical add-on value solution	210,000	-	21,000,000	70.00	195,819	(20,259)	(14,181)	(Notes 6 and 21)
Delta Electronics, Inc.	Ancora Semiconductors Inc.	Taiwan	Gallium Nitride (GaN) technologies and solutions	470,000	-	37,000,000	67.03	386,576	(72,423)	(50,261)	(Notes 6 and 21)
Delta Electronics Capital Company	Ancora Semiconductors Inc.	Taiwan	Gallium Nitride (GaN) technologies and solutions	40,000	-	4,000,000	7.25	56,809	(72,423)	(5,654)	(Notes 6 and 21)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	13,229,168	13,229,168	191,984,450	15.39	14,290,766	12,967,705	1,526,515	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	88,168	88,168	1,000,000	100.00	248,321	3,700	2,795	(Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
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	\$ 87,799	\$ 87,799	5,600	100.00	\$ 836,095	\$ 136,638	\$ 125,933	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	433,824	433,824	46,949,667	100.00	162,729	(24,470)	(17,260)	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	624,777	624,777	10,000	100.00	842,363	93,567	183,194	(Note 1)
Delta International Holding Limited B.V.	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	2,097,183	2,097,183	1,060,624	100.00	2,998,288	339,809	366,924	(Note 1)
Delta International Holding Limited B.V.	ELTEK AS	Norway	Research, development and sales of power supplies and others	15,268,013	15,268,013	93,531,101	100.00	11,819,719	84,902	(586,581)	(Note 1)
Delta International Holding Limited B.V.	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,303,250	2,303,250	75,000,000	100.00	2,853,296	35,630	27,107	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	112,399	112,399	500,000	100.00	-	217	217	(Note 1)
Delta International Holding Limited B.V.	March Networks Holdings Ltd.	Canada	Equity investments	3,836,187	3,836,187	10,000	100.00	3,727,636	(12,081)	(103,581)	(Note 1)
Delta International Holding Limited B.V.	UI Acquisition Holding Co.	U.S.A.	Equity investments	2,868,314	-	334	100.00	3,002,839	143,530	123,714	(Notes 1 and 21)
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	300,859	185,795	2,733,483	100.00	272,570	46,726	46,726	(Note 2)
Delta Electronics (H.K.) Ltd.	Eltenergy International de México, S. de R.L. de C.V.	Mexico	Sales of power supplies and others	-	115,064	-	-	-	175	175	(Notes 2 and 18)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	10,085,075	10,085,075	2,549,297,600	100.00	24,304,074	4,686,869	4,686,869	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,675,482	2,675,482	1	100.00	1,923,916	181,341	58,784	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	5,285,693	5,285,693	304,504,306	100.00	5,365,615	435,276	430,754	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta America Ltd.	U.S.A.	Equity investments	1,585,602	1,585,602	18,374,182	89.74	3,398,629	499,272	447,174	(Notes 8 and 9)
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Turkey	Marketing and sales of electronic products	479,690	172,590	7,670,494	100.00	325,923	127,225	109,521	(Note 8)
Delta Electronics (Netherlands) B.V.	DELTA GREENTECH (BRASIL) LTDA.	Brazil	Manufacturing and sales of electronic products	218,348	218,348	4,315,657	100.00	158,529	(45,169)	(45,169)	(Note 8)

Table 10-2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta Electronics (Netherlands) B.V.	DELTA ELECTRONICS BRASIL LTDA.	Brazil	Manufacturing and sales of electronic products	\$ 622,906	\$ 622,906	87,000,000	100.00	\$ 617,308	\$ 140,911	\$ 140,911	(Note 8)
Delta Electronics (Netherlands) B.V.	Amerlux, LLC	U.S.A.	Design and production of dedicated lighting system and facilities	3,000,950	3,000,950	-	100.00	3,057,203	163,255	79,499	(Note 8)
Delta Electronics (Netherlands) B.V.	Delta Greentech SGP Pte. Ltd.	Singapore	Equity investments	857,750	857,750	12,175,470	100.00	641,153	59,262	22,179	(Note 8)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited	Canada	Graphic control software and related engineering services	1,095,565	1,095,565	51,495	100.00	1,219,426	120,760	91,056	(Note 8)
Delta America Ltd.	Delta Electronics (Americas) Ltd.	U.S.A.	Sales of electronic components	231,992	231,992	250,000	100.00	1,701,265	333,032	333,032	(Note 15)
Delta America Ltd.	Delta Solar Solutions LLC	U.S.A.	Equity investments	-	69,712	-	-	-	(3,290)	(3,290)	(Notes 15 and 19)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	36,743,035	36,743,035	534,479,306	42.85	41,765,437	12,967,705	4,905,261	(Note 13)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER INCORPORATED	Philippines	Sales of power supplies and others	23,134	23,134	11,400,000	100.00	38,869	9,277	9,277	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER CO., LTD.	Thailand	Sales of power supplies and others	-	-	40,000	100.00	63,210	13,768	13,768	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (CAMBODIA) LTD.	Cambodia	Sales of power supplies and others	-	-	1,000	100.00	(19,238)	-	-	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK POWER (MALAYSIA) SDN. BHD.	Malaysia	Sales of power supplies and others	63,427	63,427	300,000	100.00	(56,100)	(7,706)	(7,706)	(Note 7)
Delta Electronics Int'l (Singapore) Pte. Ltd.	Loy Tec electronics GmbH	Austria	Provide solutions to building management and control	2,492,406	2,492,406	-	100.00	1,659,113	147,191	78,440	(Note 7)
Delta Networks Holding Limited	Delta Networks, Inc.	Cayman Islands	Equity investments	5,462,049	5,462,049	1,196,886,000	100.00	2,121,542	42,564	42,042	(Note 3)
Delta Networks, Inc.	Delta Networks (HK) Limited	Hong Kong	Equity investments	1,074,850	1,074,850	35,000,000	100.00	2,113,918	43,547	43,547	(Note 4)
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	159,558	159,558	40,526,221	100.00	(295,452)	(24,470)	(24,470)	(Note 17)
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	33,090,216	920,571	920,571	(Note 5)
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	347,387	24,134,934	99.73	103,473	(153,747)	(160,767)	(Note 5)
Delta Electronics (Thailand) Public Company Limited	DET International Holding B.V.	Netherlands	Equity investments	8,448,977	8,448,977	264,357,330	100.00	6,148,691	428,521	428,532	(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 changer and data center	184,185	184,185	20,600,000	100.00	42,930	(43,339)	(43,339)	(Note 16)

Table 10-3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	\$ 4,983,606	\$ 4,983,606	146,586,590	100.00	\$ 8,525,632	(\$ 284,826)	(\$ 285,149)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Vietnam) Company Limited	Vietnam	Sales of electronic products	2,710	2,710	-	100.00	2,838	(8,004)	(8,004)	(Note 16)
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	151,892	411	110,999	100.00	153,255	1,733	1,733	(Note 16)
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	48,094	985	985	(Note 11)
Vivotek Inc.	Realwin Investment Inc.	Taiwan	Venture capital company	173,696	173,696	17,369,635	100.00	189,486	43,204	44,118	(Note 11)
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	304,798	25,407	(4,448)	(Note 11)
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	15,241	2,444	2,444	(Note 11)
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,377	599	599	(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	382,520	25,476	25,476	(Note 10)
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,845	1,470	750	(Note 12)
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	85,985	65,224	36,661	(Note 12)
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and leasing of commercial real estate related business	34,859	34,859	-	100.00	60,436	4,796	4,796	(Note 12)
Realwin Investment Inc.	Skywatch INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(20,941)	-	(Note 14)

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: This company merged with Delta Electronics International Mexico S.A. de C.V. at the effective date in February 2022. However, the related procedures have been completed as of December 31, 2022.

Note 19: This company had been liquidated in March 2022.

Note 20: The Company merged with Allied Material Technology Corp. (AMT) in May 2022. After the merger, the Company was the surviving company while AMT was the dissolved company.

Note 21: Established or invested during 2022.

Delta Electronics, Inc.
Information on investments in Mainland China
Year ended December 31, 2022

Table 11

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Dongguan) Co., Ltd.	Manufacturing and sales of transformer and thermal products	\$ 4,296,636	Invested by DHK	\$ 5,121,671	\$ -	\$ -	\$ 5,121,671	\$ 905,674	100.00	\$ 921,727	\$ 6,606,329	\$ 296,659	(Notes 3 and 13)
Delta Electronics (Shanghai) Co., Ltd.	Product design, management consulting service and distribution of electronic products	3,501,457	Invested by DHK	480,410	-	-	480,410	2,060,748	100.00	2,058,637	7,093,392	-	(Notes 6 and 13)
Delta Electronics (Wuhu) Co., Ltd.	Manufacturing and sales of LED light source, power supplies and others	4,115,140	Invested by DHK	525,486	-	-	525,486	224,958	100.00	224,690	4,455,100	-	(Notes 7 and 13)
Delta Electronics (Chenzhou) Co., Ltd.	Manufacturing and sales of transformers	1,934,730	Invested by DHK	131,282	-	-	131,282	198,430	100.00	198,666	2,277,543	-	(Notes 8 and 13)
Delta Electronics (Jiangsu) Ltd.	Manufacturing and sales of power supplies and transformers	5,736,935	Invested by DHK	12,524,455	-	-	12,524,455	1,724,744	100.00	1,710,921	11,749,704	-	(Note 13)
Delta Green (Tianjin) Industries Co., Ltd.	Manufacturing and sales of transformers	139,116	Invested by DHK	1,016,045	-	-	1,016,045	(8,697)	100.00	(8,697)	(88,619)	-	(Notes 9 and 13)
Delta Electronics (Pingtan) Co., Ltd.	Wholesale and retail of electronic products and energy-saving equipment	132,435	Invested by DHK	159,529	-	-	159,529	52,950	100.00	52,950	212,080	-	(Note 13)
Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	220,726	Invested by DHK	14,045	-	-	14,045	5,824	100.00	5,824	175,172	-	(Notes 10 and 13)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	242,798	Invested by DHK	259,760	-	-	259,760	1,126	100.00	1,126	198,045	-	(Note 13)
Cyntec Electronics (Suzhou) Co., Ltd	Technical service, technical development, technical consultation, technical exchange, technical transfer, technical promotion; electronic components manufacturing, electronic components wholesale, electronic components retail, mold manufacturing, mold sales, forgings and powder metallurgy products sales	7,155,430	Invested by CHK	6,094,780	-	-	6,094,780	633,502	100.00	633,502	6,667,633	284,068	(Notes 13 and 19)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	1,397,305	Invested by DNHK	1,372,932	-	-	1,372,932	116,526	100.00	115,474	1,863,529	675,620	(Notes 5 and 13)

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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 65,106	Invested by DNHK	\$ 21,497	\$ -	\$ -	\$ 21,497	\$ -	30.00	\$ 29,147	\$ 45,422	\$ -	(Note 14)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	122,840	Invested by DelBio	122,840	-	-	122,840	13,624	100.00	13,617	172,011	24,092	(Note 15)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	112,570	Invested by DCZ	-	-	-	-	78,845	100.00	78,493	323,945	-	(Note 11)
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.	-	Invested by DPEC and DGC	-	-	-	-	(3,375)	-	(3,375)	-	-	(Note 11 and 18)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Sales of solar power products, solar power equipment, photovoltaic equipment and components, mechanical and electrical equipment, power electronic components and special equipment for semiconductor parts, rental of photovoltaic power equipment, engineering and technical research, testing, and development, energy saving management services and solar power technology services	44,587	Invested by DET-SH	-	-	-	-	(282)	96.32	(282)	32,258	-	(Note 11 and 18)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	14,587	Invested by Amerlux Lighting Hong Kong Limited	184,951	-	-	184,951	128,710	100.00	128,710	147,881	-	(Note 16)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,507,442	Invested by Drake-HK, Boom and DGSG	9,391,506	-	-	9,391,506	804,665	95.91	771,762	6,865,993	-	(Notes 4 and 12)
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	1,504,790	Invested by DHK	921,300	-	-	921,300	171,211	100.00	171,211	1,177,866	-	(Notes 13 and 20)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	110,363	Invested by DPT	-	-	-	-	(1,292)	40.00	(517)	12,543	-	(Note 11)

Table 11-2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2022	Net income (loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as at December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Delta Electronics (Chongqing) Ltd.	Manufacturing electronic parts of new energy vehicles and parts for power of electronic equipment	\$ 1,074,850	Invested by DHK	\$ -	\$ -	\$ -	\$ -	(\$ 98,416)	100.00	(\$ 98,049)	\$ 886,098	\$ -	(Note 13)
Universal Instruments Mfg.(Shenzhen) Co. Ltd.	Precision automation solutions	127,884	Invested by UI European Holdco. Cooperatief U.A.	-	-	-	-	96,667	100.00	96,667	(86,522)	-	(Note 21 and 22)

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 6.95660 to US\$1 and NTD 4.41451 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2022, remitted or collected this period, accumulated remittance as at December 31, 2022 and investment income remitted back as at December 31, 2022 was translated into New Taiwan Dollars at the average exchange rate of NTD 30.71 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$166,775 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$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: 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 12: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 13: Invest through Delta Electronics (H.K.) Ltd.

Note 14: Invest through Delta Networks (HK) Limited.

Note 15: Invest through DelBio Inc.

Note 16: Invest through Amerlux Lighting Hong Kong Limited.

Note 17: The company recognised investment income / loss based on the audited financial statement.

Note 18: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. Delta Energy Technology Puhuan (Shanghai) Co., Ltd. was the surviving company and Delta Energy Technology (Shanghai) Co., Ltd. had been deregistered in June 2022. The related procedures had been completed in July 2022.

Note 19: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$35,000 thousand permitted by Investment Commission is excluded from Cytotec Co., Ltd's amount of investment in Mainland China. Additionally, the application for the equity transfer to the Company's investee, Delta Electronics (H.K.) Ltd., was approved by the Investment Commission on December 27, 2022, but the transfer procedure has not yet been completed as of December 31, 2022.

Note 20: 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 21: Invest through UI European Holdco. Cooperatief U.A.

Note 22: Remittance investment amount of USD\$1

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2022	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)	\$ 30,700,960	\$ 39,357,192	\$ -
Cyntec Co., Ltd. (Note 5)	5,810,712	5,810,712	19,271,235
DelBio Inc. (Notes 4 and 6)	98,748	98,748	110,320

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 NTD30.71 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, 2022.

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.

Note 6: DelBio Inc. remitted back the investment income of US\$785 thousand on August 23, 2022 from the investee company in Mainland China, DelBio (Wujiang) Co., Ltd., and was permitted by Investment Commission on September 29, 2022, which are deductible from DelBio Inc.'s accumulated amount remitted out of Taiwan to Mainland China.

Delta Electronics, Inc.
Major shareholders information
December 31, 2022

Table 12

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%