

RE100

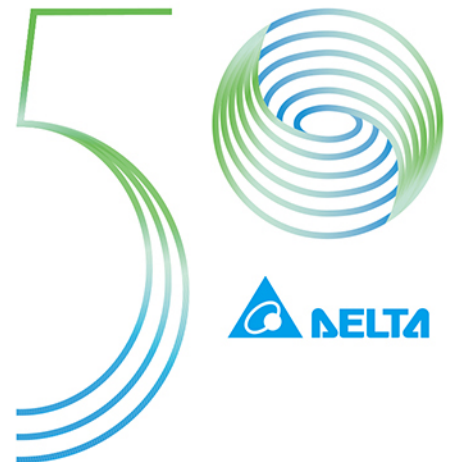
CLIMATE GROUP



Delta Electronics Joins RE100 — 100% Renewable Electricity and Carbon Neutrality Targets for Its Global Operations by 2030



DELTA ELECTRONICS, INC. 2020 ANNUAL REPORT



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5. Overseas Securities Exchange	<p>Name of the stock exchange where the company's securities are traded offshore : Luxembourg Stock Exchange Disclosed information can be found at : www.bourse.lu/home</p>
6. Corporate Website	<p>www.deltaww.com</p>

Awards and Honors



ENERGY STAR Sustained Excellence Award

Received ENERGY STAR Sustained Excellence Award for the third consecutive year

Received the ENERGY STAR Partner of the Year for the fifth consecutive year

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



"Global Views Monthly" Honor Roll

Received the Global Views Monthly Annual Corporate Social Responsibility Awards—Honor Roll for a second time since 2008

The Taiwan Corporate Sustainability Award

Delta received ten major awards in the Taiwan Corporate Sustainability Awards held by the Taiwan Institute for Sustainable Energy in 2020

Dow Jones Sustainability Indices

- Listed on the Dow Jones Sustainability World Index for ten consecutive years, and Dow Jones Sustainability Indices (DJSI) and Industry Leader in Electronic Equipment, Instruments & Components for five years
- Listed on the Dow Jones Sustainability Emerging Markets Index for eight consecutive years

SAM Sustainability Award

- Awarded the Gold Class rating in the Sustainability Yearbook published by RobecoSAM for the seventh time.



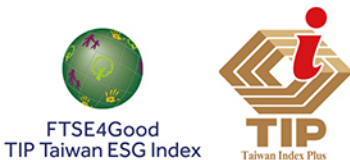
CDP

- Awarded the CDP Climate Change Leadership for the fourth time
- Two "A" leadership level ratings for substantial contribution to climate change and water security issues, and Supplier Engagement Leader for continuous development of a sustainable value chain



Morgan Stanley Indexes

- Selected consecutively for the MSCI ACWI ESG Leaders Index
- Selected consecutively for the MSCI Emerging Markets ESG Leaders Index and the MSCI Taiwan ESG Leaders Index



FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes
- Selected consecutively for the FTSE4Good TIP Taiwan ESG Index (compiled by Taiwan Index Plus Corporation and FTSE Russell)

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This English translation is prepared in accordance with the Chinese version and is for reference purpose only. If there is any inconsistency between the Chinese version and the English translation, the Chinese version shall prevail.

1. Letter to the Shareholders



Dear Shareholders:

The year 2020 has been a turbulent time and a year of uncertainty for global economic activities and social events. Due to the global impact of COVID-19, many cities and borders have been closed, and governments have imposed strict crowd-control measures. At present, companies are facing challenges in production, logistics, warehousing and retailing. There is also a steep decline in consumption as both regional economies and personal livelihood activities have been significantly affected. It has been an extraordinarily volatile year for everyone, including governments and companies.

As the virus began to spread, Delta set up a global anti-epidemic command center to closely monitor developments amid the epidemic and established anti-epidemic prevention teams to track operating conditions at its global factories and branches. At the same time, it also built its own mask production line to provide protective equipment such as masks for front-line employees. In times of emergency, Delta's first priority is to take care of employees and to ensure their safety and health.

Fortunately, Delta has continued to achieve growth in terms of annual revenue and gross profit, thanks to all of its team's collective efforts. Delta's consolidated revenue in 2020 was NT\$282.6 billion, a 5% increase from the previous year; gross profit was NT\$87.2 billion, and gross profit margin grew from 27.8% in the previous year to 30.9%. Net operating profit was NT\$31.4 billion, with an increase in the net operating profit margin from 7.2% in the previous year to 11.1%. Net income after tax was NT\$25.5 billion, with an increase in the net after-tax profit margin from 8.6% to 9.0%. In 2020, Delta's earnings per share (EPS) was NT\$9.80 and return on equity (ROE) ratio was 17.8%.

Here is a summary of Delta's performance in various business fields in 2020, and future prospects:

Power Electronics

As the world's leading manufacturer of power supplies and brushless DC fans, Delta has contributed significantly to further improvements in the information industry. Due to the severity of the COVID-19 epidemic in 2020, many cities and companies around the world have implemented work-from-home protocols, and schools have adopted remote teaching, which has led to a surge in demand for information equipment. Delta's power supplies and fans for laptops, desktops, servers, and other related equipment have brought forth a new social norm in the COVID-19 era.

In 2020, Delta announced a strategic cooperation with GKN Automotive, the world's largest automotive transmission system supplier, to develop eDrive, which is an integrated electric drive system for next-generation electric vehicles. This three-in-one

system combines Delta's motor drive with GKN Automotive's drive motor and gear box, and is expected to reduce system weight and size, as well as effectively streamline the assembly process, improve quality, and further solidify both parties' leading position in the global market.

With its corporate mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow," Delta has continued to strive over the years to improve its product efficiency and create value for its shareholders, while contributing to environmental sustainability. Delta was recognized by the U.S. Environmental Protection Agency (EPA) as an ENERGY STAR® Partner of the Year for a fifth consecutive year in 2020 and received the Sustained Excellence Award for three consecutive years.

The Sustained Excellence Award is ENERGY STAR's highest honor, recognizing outstanding companies whose product energy efficiency and energy conservation promotion have surpassed assessment standards. Delta has received this award three times, demonstrating its continuous implementation of a sustainable business philosophy based on extensive power electronics and control technology.

Automation

As a result of the COVID-19 outbreak, Delta plant employees were restricted from returning to work after the Chinese New Year in 2020. Although Delta's plant resumed work on February 10th in accordance with local government provisions, some employees were affected and could not return to work due to quarantine requirements in dormitories and travel restrictions in many cities.

Fortunately, Delta has been actively involved in the field of smart manufacturing for many years and is committed to enhancing the automation of its production lines. In exceptional times when the return-to-work rate was less than 40%, Delta was able to maintain the basic operation of its production lines. Delta's in-house automation team quickly set up a mask production line and started production the following day with only the purchase of raw materials required. At the most critical moment in the epidemic, there were two driving factors that helped increase the return-to-work rate and production capacity: highly automated production lines and automation teams that could respond to emergencies and help factories start making their own masks in the shortest possible time. This achievement once again highlights the importance of the Delta's ability to respond quickly and to flexibly adjust production lines for resilient manufacturing under any circumstances. Delta believes that in the post COVID-19 era, this will accelerate the manufacturing industry's pace of investment and transformation to smart manufacturing.

To strengthen the integrity of its smart manufacturing systems, in 2020 Delta acquired 100% of Trihedral Engineering Limited, a Canadian SCADA graphical control and industrial Internet of Things (IoT) software company. Trihedral has been developing SCADA graphical control software systems for more than 30 years, with major customers from the power, water treatment, and oil and gas industries. In recent years, it has been actively expanding its applications to new areas such as smart manufacturing. This acquisition integrates the experience and expertise of both companies in the automation business, which will help further enhance Delta's long-term competitiveness in the global automation market.

Although in the short-term there is a temporary slowdown in market demand due to the epidemic, Delta hasn't stopped developing its building automation business. Following the

launch of its global strategic alliance with Microsoft in 2019, Delta further combined its Azure cloud and IoT technologies in 2020 to jointly develop two major smart building solutions -- the "Chiller System Anomaly Detection" and the "Bluetooth Intelligent Control".

The Chiller System Anomaly Detection is one of Delta energy online monitoring solutions. It is set up in Microsoft's real-time cloud monitoring system, that is used to detect and monitor conditions in real-time through running big data analysis, as well as handle abnormalities and reduce damage at the earliest possible times, thus helping improve operational efficiency and reduce costs. The Bluetooth Intelligent Control combines data analysis and AI applications to create a personalized lighting environment according to customer requirements with matching the changes of light in day and night. Through a comprehensive strategic cooperation and execute sales plans with Microsoft, both companies can further enhance their competitiveness in the global market by leveraging their respective strengths.

Infrastructure

To help promote the transition to low-carbon transportation and address climate change, Delta announced its membership in the International Electric Vehicle Initiative EV100 in 2018 and became not only the first member in Taiwan, but also the first electronics vehicle charging solutions provider member in the world. In 2020, Delta installed more than 100 electric vehicle chargers at its major operating locations, providing employees and customers with incentives to use low-carbon transportation. Due to the impact of the epidemic, many infrastructure projects around the world, such as 5G networks and electric vehicle charging facilities, have fallen behind schedule. However, as many social and business activities move online, companies are accelerating their digitalization and increasing their reliance on data centers in various industries. The importance of data centers is becoming increasingly apparent as these centers become a new type of public utility.

In 2020, Delta also made significant achievements in data center business development. Delta's data center POD solution (Point of Delivery) has been certified by the Uptime Institute TIER III, a prominent advisory organization which entails rigorous uptime requirements and long-term viability for IT equipment. Delta developed its POD solution by leveraging pre-engineering designs of in-house IT racks, aisle air containment, in-row precision cooling, modular UPS systems, a monitoring system and redundant distribution with high flexibility and fast implementation. With the doubling of global data traffic, the demand for modular data center solutions continues to grow, and the birth of Delta's POD system is the best solution to meet the trend of this digital wave.

Stable power supplies play a vital role in the development of industries. With the growth of population and industries, the demand for electricity is bound to increase in the future. However, conventional fossil fuel power generation has many negative impacts on the environment and ecology. In response to the global consensus on carbon reduction, Delta has been actively developing smart grids in recent years, hoping to contribute to the transformation of the energy through energy storage and control.

To achieve the smart grid vision, Delta and the Taiwan Power Company jointly built and announced completion of the largest energy storage system in Taiwan in 2020, which was the first to be integrated into the grid and actually receive real-time dispatching. The system is located at the Xia Xing of Kinmen's Tashan Power Plant, and includes a 1MWh lithium-ion Power

Station battery energy storage system, a 2MW capacity power conditioning system, energy management system, and environmental management system. The total solution was designed, manufactured, and built by Delta to specialize in one-stop integrated services that can quickly supply backup power within 200 ms after an unplanned generator outage takes place and provide a 30-minute buffer time to the power plant to help stabilize the grid. Delta chose Kinmen as a demonstration island for smart grid, and plans to apply the successful experience of the system to future smart grid installations on the main island. Delta is taking practical steps to help Taiwan's smart grid evolve further.

In the face of climate change and global sustainable development, Delta has seriously responded with concrete actions to ESG (Environmental, Social, Governance) issues. In 2020, Delta was selected to the Dow Jones Sustainability Indices (DJSI) World Index for the tenth consecutive year and was distinguished from other benchmark companies by being honored as an Industry Leader for the fifth time. In addition, Delta received the top "A" leadership award in the 2020 CDP's "climate change" and "water security" ratings, making it one of the first companies in Taiwan to receive a double "A" in recognition of Delta's concrete actions.

After setting a scientific carbon intensity reduction target of 56.6% in 2017, Delta has achieved its milestone carbon intensity targets for three consecutive years. In 2018, Delta actively engaged the Task Force on Climate-related Financial Disclosures (TCFD) to regularly assess the risks and opportunities brought by climate change. Delta discloses information in its annual report and ESG report in accordance with the TCFD framework as a basis for improving climate readiness. It is worth mentioning that Delta was selected as the best international brand in Taiwan for the tenth consecutive year in 2020, and its brand value has grown for eight consecutive years, reaching US\$331 million, an 11% increase from 2019.

In recent years, international affairs, technology development, the natural environment, and even social patterns have all changed rapidly. As a company, the only way to stand firm in an ever-changing business environment is to keep an eye on external changes and remain flexible at all times. In 2021, our 50th anniversary, Delta would like to thank our customers, shareholders and partners for their support over the past half-century. With the world still experiencing turmoil due to the epidemic we have taken determined steps to bring our employees through the fog. Looking to the future, we are committed to sustainable development as our core value and will continue to guide our colleagues amid new challenges as we create new opportunities.

Sincerely,

Chairman



2. Company Profile

► 2.1 Date of Incorporation: August 20, 1975 (Refomed as Company Limited by Shares)

► 2.2 Delta Electronics' Timeline

1971	Apr.	Founded at Min-An Road, Sinjhuang, Taipei County, Taiwan, Delta Electronics produces TV coils and Intermediate Frequency Transformers (IFT).
1975	Aug.	Registered as Delta Electronics, Inc.
1980	Apr.	Starts producing components for switching power supplies.
1981	Jul.	Starts mass production of EMI Filters.
1983	Mar.	Starts mass production of switching power supplies.
1984	Jan.	Wins a vendor award from Zenith.
1986	Feb.	Wins vendor awards from Rockwell International.
	Apr.	Starts using surface-mounting technology in producing power supplies.
1988	Jan.	Invests in Dastek, and enters the world's most advanced thin film technology field
	Jun.	Starts mass production of DC fans.
	Dec.	Listed on the Taiwan Stock Exchange.
1989	Mar.	Invests in Thailand, Delta Electronics (Thailand) Public Company Limited, manufacturing and selling compone is related to computers and electronic equipment.
	Aug.	Establishes an R&D Lab with Virginia Polytechnic Institute & State University to develop power supplies with high efficiency and high power density.
1990	Apr.	Wins vendor awards from IBM.
1991	Nov.	Wins a vendor award from HP.
1992	Jan	Starts mass production of power supplies for Notebooks.
1993	Dec.	According to a report from US Micro-tech Consultant, Delta's switching power supplies ranked 1 st in the US market, and ranked 5 th in the global market.
1994	Sep.	Launches communication power systems.
1995	May	Launches variable-frequency drives.
1996	Mar.	Wins vendor award from Intel.
	Apr.	Named No. 1 supplier of power supplies in both the global and the U.S. markets by Micro-Tech Consultant.
	Jul.	Launches uninterruptible power systems.
1998	Dec.	UPS system wins the Excellence Award of Taiwan
1999	Jan.	Establishes Delta Networks, Inc. (Taiwan)
	Mar.	Wins a Dell Platinum Supplier Award.
2000	May	Joins the Massachusetts Institute of Technology (MIT) Oxygen Project Alliance
	Oct.	Dongguan Plant is awarded ISO 14001 Certification.
2001	May	Cyntec Co., Ltd., Delta's invested company, listed on the Taiwan Stock Exchange.
	Dec.	Wujiang Plant opens in mainland China and is awarded ISO 9000 Certification.
2002	Jan.	Wujiang Plant passes TL-9000 certification.
2003	Dec.	Awarded Best in Corporate Governance in Asia by Asset magazine.
	Dec.	Named No. 1 in global power supplies sales by Micro-Tech Consultant.

2004	Jun.	Delta's 56" 16:9 DLP internal projection TV awarded the Gold Award of the 12 th National Awards for Excellence by the President of Taiwan.
	Nov.	Found DelSolar, a company dedicated to the R&D and manufacturing of solar cells.
	Dec.	Wins the Cisco Systems Supplier of the Year Award.
2005	Jan.	Receives a best-partner award from Sony.
	Jun.	Named the best among technology companies in the First Annual Corporate Social Responsibility Awards presented by Global Views Magazine.
	Nov.	Opens a green plant in Tainan.
2006	Apr.	Recognized with the highest rating grade A for Corporate Governance by the Taiwan Stock Exchange.
	Jul.	Rated by Standard & Poor's as one of Taiwan's top 50 companies in terms of credit quality.
	Aug.	The new plant in Tainan becomes the first in Taiwan to be awarded a Gold-Rated Green Building Certificate from the Ministry of Interior.
	Dec.	Annual revenue exceeds 100 billion with a consolidated revenue of NT\$105.26 billion in 2006.
2007	May	Named the best among technology companies in the Annual CSR Awards presented by Global Views Magazine for the third year running.
2008	Feb.	Becomes the only Chinese company to be named in the Global Top 100 Low Carbon Pioneers of CNBC European Business magazine.
	Apr.	Receives a CSR Honor Award from Global Views Magazine.
	May	Named in BusinessWeek's Info Tech 100.
	Oct.	Wins the Excellent Innovation Achievement Award, which is the highest award of the 16 th Industrial Technology Advancement Awards sponsored by the Ministry of Economic Affairs.
	Dec.	Included in Forbes Asia's Fabulous 50 for the second year running.
2009	May	Builds the 1MW rooftop solar power system for the Main Stadium of the World Games 2009 in Kaohsiung, Taiwan.
	Jul.	Tainan Plant, formerly Gold-Rated, is awarded a Diamond-Rated Green Building Certificate.
	Oct.	Receives an award at the first Asia Pacific Frost & Sullivan Green Excellence Awards.
	Oct.	Delta's board of directors acquires 100% stake in Cynotec through share conversion.
2010	May	Ranked first among thousands of electronic industry enterprises for after-tax net profit in 2009 by CommonWealth Magazine.
	Aug.	Obtains the Taiwan's Excellent Brand Award organized by the Bureau of Foreign Trade, MOEA.
	Aug.	Rated as an A+ Company for Information Transparency and Disclosure by the Securities & Futures Institute in Taiwan.
2011	Jan.	Taiwan's first zero carbon building, Y. S. Sun Green Building Research Center in NCKU, is completed, which was donated by the founder of Delta, Bruce Cheng.
	May	Rudrapur Plants in India win LEED Gold-rated Green Building Certificate.
	Jul.	Awarded Electric Vehicle Charging Station project from ARTC (Automotive Research & Testing Center) for building the first EV Charging station for EV testing and verification in Taiwan.
	Jul.	Dongguan Plant in China becomes the world's first power and components electronic enterprise to officially pass the conformity evaluation for the Energy Management System of the International Organization for Standardization ISO50001.
	Sep.	Selected for the Dow Jones Sustainability™ World Index (DJSI World).
	Sep.	Named as a Taiwan Top 20 Global Brand.
	Sep.	Delta Thailand, a Delta associate company, receives ISO 50001:2011 certification from SGS (Thailand) Limited for energy management systems. The first company in Thailand with this ISO certificate.
	Nov.	Opens Shanghai R&D and Operations Center Building.
	Dec.	Opens Taoyuan Plant 3 and R&D Center.

2012	Feb.	Delta Electronics Foundation completes reconstruction of eco-friendly Namasia Elementary School.
	May	Gurgaon Plant in India is recognized with a LEED-India Platinum Certification.
	Jun.	Delta announces new management team with Yancey Hai appointed as Chairman and Ping Cheng as CEO. Delta's founder and chairman Bruce Cheng continues to serve on the board as honorary chairman.
	Aug.	Taoyuan Technology Center recognized with the U.S.A. LEED Gold Certification and Taiwan EEWB Gold Certification.
	Sep.	Selected for 2012 Dow Jones Sustainability Indexes and named as a global Industry leader in the ITC Electronic Equipment sector.
	Oct.	Receives the National Industrial Innovation Award again.
	Nov.	Neo Solar Power joins hands with Delta Group to create the largest solar cell company in Taiwan.
	Nov.	Ranked as one of The 20 Most Innovative Companies in Taiwan from the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA).
	Nov.	Tainan plant wins the first general industry cleaner production certification of Green Factory Label from the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA).
	Dec.	Delta Thailand, a Delta associate company, receives the Prime Minister BEST Industry Award.
2013	Jul.	Ranks No. 4 for Taiwan's Best Companies from Institutional Investor Magazine and receives The Most Promising Company from Corporate Governance Asia Magazine.
	Aug.	Delta Thailand, a Delta associate company, wins the 2013 ASEAN Business Award in the innovation category for large company.
	Oct.	Delta Thailand, a Delta associate company, receives the CSR-DIW Continuous Awards and CSR-DIW Awards 2013.
	Nov.	Delta Thailand, a Delta associate company, received the Thailand Energy Award 2013 in the energy management team category.
	Dec.	Recognized for its Investor Relations and Sustainability Practices at the IR Magazine's Greater China 2013 Awards.
	Dec.	Delta Shanghai operations center receives LEED Gold Certification as Delta's 10th certified green building.
2014	Jan.	Taipei headquarters receives a Taiwan Green Building Certificate for building renovation (EEWB-RN Diamond).
	Apr.	Deltas' Ultra-Short Throw Projector Wins the Taiwan Excellence Silver Award.
	Oct.	Only Greater China company named to the CDP Climate Performance Leadership Index (CPLI).
	Oct.	Delta Thailand, a Delta associate company, received the Prime Minister's Business Enterprise Award 2014 in the best exporter category.
	Oct.	Awarded Commonwealth Magazine's Most Admired Company award for the 13 th consecutive year.
2015	Jan.	Launches SCARA industrial robots.
	Jan.	Delta-IBN Life Science and Diagnostics Lab opens at Biopolis.
	Mar.	Recognized with Channel NewsAsia's 2015 Green Luminary Award.
	Apr.	Ranks A++ in the Information Disclosure and Transparency Ranking Results for the 4 th consecutive year.
	Apr.	Acquires Eltek ASA, a leading provider in telecom power, industrial and datacenter power solutions.
	Jun.	Ranks top 5% of all listed companies with "The First Corporate Governance Evaluation Award" from the Taiwan Stock Exchange.
	Sep.	First Delta China CSR Report officially goes online.
	Sep.	Delta's Wuhan building officially opens with both R&D and Sales functions.
	Oct.	Delta Americas opens new headquarters designed as LEED Platinum and net zero.
2016	Jan.	Inaugurates first proprietary solar PV plant in Ako City, Japan.
	Mar.	Delta's Beijing office building recognized with LEED-NC Silver certification.
	Mar.	President Ma Ying-Jeou confers Delta founder Mr. Bruce Cheng with the Order of the Brilliant Star for his outstanding contributions to the country and society.
	Apr.	Delta's subsidiary, Delta Electronics International (Singapore) Pte. Ltd., acquires shareholdings in LOYTEC, an Austrian building automation company.
	Apr.	Delta's subsidiary Delta Electronics (Netherlands) B.V. and Delta Controls enter into a definitive agreement.
	Jun.	Establishes the Delta - NTU Corporate Laboratory for Cyber-Physical Systems in Singapore.
	Jun.	Honored with the National Excellence Award from the Indian Ministry of New and Renewable Energy (MNRE).
	Aug.	Delta's headquarters green building in Taipei receives LEED Platinum certification for operation and maintenance of existing buildings.

2016	Nov.	Delta's Founder and Honorary Chairman Mr. Bruce Cheng receives the first Outstanding Entrepreneur award at the Global Views Magazine leaders' forum.
	Nov.	Acquires 100% shareholdings in Unicom System Eng. Corp.
2017	Feb.	Delta Thailand, a Delta associate company, wins the Outstanding CEO Awards and the Best Company Performance Award from the Stock Exchange of Thailand (SET).
	Feb.	Delta Articulated Robot wins Silver Award at the 25 th Taiwan Excellence Awards.
	Apr.	Announces organizational adjustment to accelerate growth through focus on "Power Electronics", "Automation" and "Infrastructure" as main business categories.
	Apr.	Delta's Founder and Honorary Chairman Bruce Cheng awarded with Honorary Doctorate Degree from National Yang-Ming University.
	Apr.	Delta's EMEA Headquarters achieves annual energy savings up to 45% and is awarded BREEAM.
	May	Wins three major awards at the 2017 Global Views Monthly's CSR Awards.
	Jun.	Delta Thailand, a Delta associate company, receives ESG100 Universe for the 3 rd consecutive year.
	Sep.	Delta Americas Headquarters recognized with Livable Buildings Award Honorable Mention.
	Oct.	Acquires 49.2% stake in VIVOTEK to strengthen its building automation solutions portfolio.
	Nov.	Delta recognized with Carbon Disclosure Project (CDP) Climate Change Leadership A- level, & Supply Chain Climate Change Disclosure A- grade.
	Dec.	Delta's subsidiary DELBio wins the Taiwan Excellence Gold Award for the DELPet-µCT.
	Dec.	Takes the lead in setting Science Based Targets as the first company in Taiwan to pass SBTi.
	Dec.	Selected for the FTSE4Good TIP Taiwan ESG Index.
2018	Mar.	Delta's Detroit Office inaugurates expanded facilities.
	Apr.	Receives the R.O.C. (Taiwan) Presidential Innovation Award.
	May	Wins the Corporate Governance Evaluation Award from the Taiwan Stock Exchange for the 4 th consecutive year.
	May	Becomes the only company twice listed in the CSR Annual List of Honors of Global Views Magazine.
	Aug.	Wins the CSR Award from Commonwealth Magazine for the twelfth consecutive year, and wins first prize for the sixth time.
	Sep.	Becomes a member of the EV100 Initiative to promote low-carbon transportation worldwide.
	Oct.	Recognized at the Greenbuild China 2018 conference with the Industry Leadership Award and the Green Leadership Award.
	Nov.	Delta Ako Energy Park's green building is LEED-Gold Certified with energy savings up to 33.8%.
	Nov.	Wins National Talent Development Awards.
	Nov.	Innergie PowerGear™ 60C wins the Taiwan Excellence Silver Award.
	Dec.	Recognized with the IR Magazine ESG Communications Award.
	Dec.	Delta's Automatic Nucleic Acid Test System wins the 15 th National Innovation Award.
	Dec.	Passes ISO 27001 information security certification, and also obtains NPI new product development process and IT category.
2019	Jan.	Receives the NEC Partner of the Year 2018 Award in the environmental category.
	Mar.	Subsidiary Delta Electronics (Netherlands) B.V. acquires a 100% stake in the lighting solution brand Amerlux.
	Apr.	Subsidiary DEISG acquires a 42.85% shareholdings in Delta Electronics (Thailand) Public Company Limited (DET). After the acquisition, Delta and its subsidiaries aggregately hold a shareholdings of 63.78% of the total issued shares of DET.
	May	Delta headquarters' data center is recognized as the world's first LEED v4 ID+C Platinum-certified.
	Jul.	Awarded 2019 Powertrain Supplier of the Year by FCA for superior EV/PHEV automotive product capabilities.
2020	Jan.	Collaborates with GKN Automotive to accelerate development of next-generation eDrive technology
	Apr.	Honored with the ENERGY STAR® Sustained Excellence Award for the third consecutive year, and awarded Partner of the Year for the fifth year in a row
	Apr.	Wins first prize in the Happy Enterprise Group for Outstanding Projects at the 2020 Global Views Monthly's CSR Awards
	Apr.	Obtains the highest Platinum Rating for Zero Waste to Landfill (UL 2799) for "100% diversion, with 8% thermal processing with energy recovery"

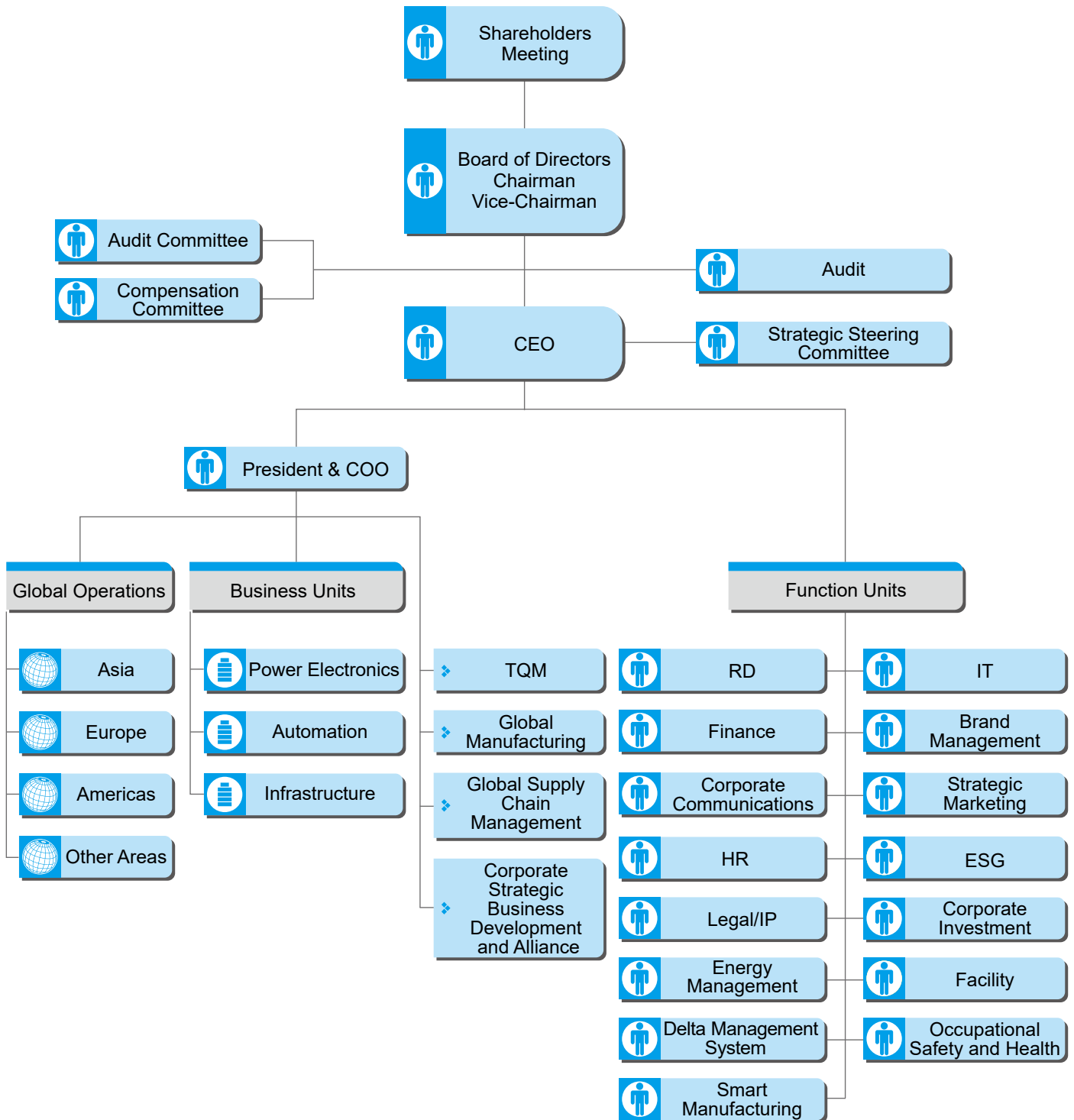
2020	Mar.	Wins Gold Remi Award for the first 8K environmental documentary film "Water with Life" at the WorldFest - Houston International Film Festival
	Mar.	Announces the acquisition of Trihedral, a Canadian SCADA and IIoT software company, to strengthen Delta's industrial automation and system integration business
	Jul.	Inaugurates the Delta - NTUST Joint Reserch Center with the National Taiwan University of Science and Technology (NTUST)
	Aug.	Inaugurates the Cooperative Robot Technology Center with National Central University (NCU)
	Oct.	Wins the "2020 Best Companies to Work For in Asia Award" from HR Asia
	Nov.	Announces the acquisition of the private unsecured convertible corporate bonds of Lanner Electronics Inc. to strengthen edge computing and network information security, and provide comprehensive ICT infrastructure solutions
	Nov.	Selected for DJSI World Index for the tenth year in a row and named Industry Leader in Electronic Equipment, Instruments, and Components for the fifth time in three consecutive years
	Nov.	Wins ten major awards at the 2020 Taiwan/Global Corporate Sustainability Awards
	Nov.	Recognized as a Best Taiwan Global Brand for the tenth consecutive year as brand value soars 11% YoY, increasing for the eighth year in a row
	Nov.	Delta founder, Bruce Cheng, wins the Outstanding Contribution Award at the China Power Supply Society's Science and Technology Awards
	Dec.	Electric Vehicle AC Charger recognized with the Taiwan Excellence Silver Award
2021	Feb.	Honored with two "A" Leadership Level Ratings by CDP for substantial contributions to climate change and water security issues
	Mar.	Joins RE100 and sets 100% renewable electricity and carbon neutrality targets for global operations by 2030
	Apr.	Announces Taiwan's first 5G smart factory at Taoyuan Plant I

3. Corporate Governance Report

▶ 3.1 Organization

3.1.1 Organization chart

2021.04.28



3.1.2 Tasks of principal divisions.

April 28, 2021

Main Departments	Business activities
Power Electronics	"Power Electronics" includes components, power and system fan & thermal management, automotive electronics. Delta is a global provider of power and thermal management solutions. It produces high-efficient products such as switching power supplies, brushless DC fans, and passive components for world-class customers in various segments including ICT, consumer electronics, as well as industrial equipment. By integrating Delta's core competencies in power electronics and systems, Delta is able to supply power train systems and products for electric/hybrid vehicles.
Automation	"Automation" includes industrial automation and building automation. As an industrial automation manufacturer, Delta offers efficient and reliable products and solutions to serve global customers in various applications such as food & beverage manufacturing, textiles, cranes and elevators, plastics and rubber, printing and packaging, machine tools, as well as electronics. Delta provides diverse Building Automation Solutions that integrate various IoT-enabled building systems, such as HVAC, lighting, energy generation, water supply and drainage, elevators, management systems, surveillance cameras, and access control to create a flexible, scalable and highly compatible building automation solution plan.
Infrastructure	"Infrastructure" includes ICT infrastructure and energy infrastructure. Delta is a major provider of telecom power systems, UPS & data center infrastructure and networking systems for global customers to enable energy-efficient and reliable ICT infrastructure. Together with its partners, Delta facilitates the development of smart cities by providing various energy infrastructure including renewable energy, EV charging, energy storage systems, high power motor drive and more. With its innovative display technologies, Delta also produces projectors and video wall solutions for home theaters, control rooms, large event venues, outdoor projection, exhibition halls and more. Infrastructure also includes medical devices, etc.
RD	The RD department does technology trend analysis and research and development of new products. It draws up research and development strategies, level of technology development, new product development and its relative environmental requirements and structural design.
Finance	The finance department establishes a highly efficient and quality financial platform to provide transparent and reliable financial information, operational analysis and improvement plan. Through strict control and audit, better corporate management can be achieved. This department provides assessments on long-term investment, loan options and tax plans based on relative regulations. The finance department designs modules to control credit risks and projects financial risks to reduce the possibility of corporate crisis. It is also responsible for the planning and establishment of shares relevant affairs, arrangement of board of directors and shareholders meetings, assisting in providing relevant information and compliances needed for directors to perform duties and ex-rights processing.
Corporate Communications	Provide Delta's stakeholders with critical, concise, transparent, consistent and real-time information; promote our ESG achievements; and enhance our corporate prestige. Our responsibilities include news themes management and planning, corporate external/internal website management, showroom planning, multimedia and graphic design planning/ execution.
HR	The HR department designs and develops a human resource management plan to construct all-around candidate selection, learning and professional development, performance management, salary and benefit systems in order to motivate outstanding employees, improve organizational efficiency, and secure healthy labor relations.
Legal/IP	This department reviews all contracts, provides legal counseling, manages patents, trademarks and other intellectual property rights and deals with the handling of legal affairs such as law suits and regulation compliance.
IT	The IT department works on planning and establishing the company's information management system. It is also responsible for computerizing operational procedures and system for business development activities and safeguarding the company's information communication system to ensure system security and efficiently provide managers relative information for decision-making.
Brand Management	This department carries out long-term planning and execution of branding strategies, establishes the corporate brand management platform and constructs standard brand application samples to create and uphold a consistent image of Delta. The strategic improvement of Delta's brand value leads to direct assistance in business growth and development of the company.
Strategic Marketing	The department assists the company's marketing capacity and strategies for business development. The department integrates market information provided through thinks tanks and marketing platforms to create actual results from marketing activities. It is also responsible for the provision of strategic recommendations and cross-sectional resource integration through systematic management mechanisms and procedures to speed up the business development pace.
ESG	To fulfill Delta's company mission "To provide innovative, clean, and energy-efficient solutions for a better tomorrow" and to enhance our competitiveness, we analyze international trends and benchmark practices in sustainable development, strengthen linkage with global sustainability issues, deploy sustainability strategies and planning via the Delta ESG committee, and facilitate cross-functional operations and overall project executions.
Occupational Safety and Health	The department develops, plans, monitors and promotes workplace safety and health management standards, as well as provides training on protocol execution to relative departments.
Corporate Investment	The department is responsible for relation establishment and maintenance between the company and the investors and institutions. It works on integrating internal resources to seek potential targets for the corporation and the execution of mergers in accordance with the future development of the company.
Audit	The audit department supervises all internal control and establishes audit processes to complete the annual audit.
TQM	The quality control department establishes quality standards, designs quality assurance strategies for raw materials and final products and manages quality improvement activities.

Main Departments	Business activities
Global Supply Chain Management	The department is in charge of planning and operations management of all business units, key electronics and supplier strategies, purchase process and system building, as well as global logistic planning and operations.
Global Manufacturing	The department ensures production and resource effectiveness of global manufacturing supply chains, manages the development of global smart manufacturing and technology, global RBA organizations, and operations as well as related projects that promote global manufacturing regions.
Corporate Strategy, Business Development and Alliance	The department manages corporate strategies, customers and global customers, and establishes operational policies for global sales and resource planning.
Energy Management	The department provides energy efficiency improvement services to increase the energy efficiency in public facilities, information centers, buildings and factories.
Delta Management System	The department works on the collection and integration of personal experience and knowledge to construct a knowledge management platform in order to enable knowledge sharing and dissemination of information.
Smart Manufacturing	The department is responsible for the design of Delta's future blueprint of intelligent factory and the development of the world's leading intelligent manufacturing technology.
Facility	The department manages and maintains the building and the public facilities in the factory to ensure a safe working environment and to execute energy saving measures in order to seek continuous recognition through green building certification.

▶ 3.2 Directors and Management Team

3.2.1 Directors

April 13, 2021

Title	Nationality/ Place of Incorporation	Name	Gen- der	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions in Other Companies (Note 1)	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	TW	Yancey Hai	M	June 11 2018	3	May 6, 2003	984,067	0.0379%	984,067	0.0379%	0	0.0000%	0	0.0000%	Master Degree in International Business Management, the University of Texas at Dallas / Country Manager, GE Capital Taiwan, Vice-Chairman and CEO, Delta Electronics, Inc.	Chairman of Strategic Steering Committee, Delta Electronics, Inc., Director, CTCI Corporation, Independent Director, USI Corporation, Independent Director and Compensation Committee Member, Taiwan Semiconductor Manufacturing Company Limited, etc.	-	-	-	-
Vice-Chairman	TW	Mark Ko	M	June 11 2018	3	May 16 2001	837,630	0.0322%	807,630	0.0311%	0	0.0000%	0	0.0000%	Department of Electrical and Control Engineering, National Chiao Tung University/President and COO, Delta Electronics, Inc.	Vice-Chairman in Strategic Steering Committee, Delta Electronics, Inc., etc.	-	-	-	-
Director	TW	Bruce CH Cheng	M	June 11 2018	3	August 20 1975	81,878,039	3.1521%	81,878,039	3.1521%	24,097,633	0.9277%	0	0.0000%	Department of Electrical Engineering, National Cheng Kung University, etc. (note2)/ Chairman, Hua-Chih Investment Co., Ltd., etc.	Honor Chairman, Delta Electronics, Inc., Director, Finestar International Limited, Chairman, Hua-Chih Investment Co., Ltd., etc.	Director	Ping Cheng Victor Cheng	Father and Sons	-
Director	TW	Ping Cheng	M	June 11 2018	3	May 16 2001	55,090,093	2.1209%	55,640,093	2.1420%	0	0.0000%	0	0.0000%	Department of Business Administration, California State University, Hayward / Senior Vice-President of Delta Electronics, Inc. and President in Greater China Area of Delta Electronics, Inc.	CEO, Delta Electronics, Inc., etc.	Director	Bruce CH Cheng/ Victor Cheng	Father and Son/ Brothers	-
Director	TW	Simon Chang	M	June 11 2018	3	May 18 2006	903,811	0.0348%	903,811	0.0348%	517	0.0000%	0	0.0000%	EMBA, Chung Yuan Christian University/ Senior Vice-President and General Manager, Delta Electronics, Inc.	President, COO and Branch Manager, Delta Electronics, Inc., Director, Betaera Inc., etc.	-	-	-	-
Director	TW	Albert Chang	M	June 11 2018	3	June 10 2009	1,104,917	0.0425%	1,002,917	0.0386%	108,315	0.0042%	0	0.0000%	EMBA, National Central University/ Senior Vice-President and General Manager of Power System Business Group, Delta Electronics, Inc.	-	-	-	-	
Director	TW	Victor Cheng	M	June 11 2018	3	June 11 2018	49,094,764	1.8900%	50,344,764	1.9382%	1,023,482	0.0394%	0	0.0000%	MS Electrical Engineering, Santa Clara University/ Chairman and President, Delta Networks, Inc.	Senior Vice-President and General Manager of Information Communication Technology Infrastructure Business Group, Delta Electronics, Inc., Director, Lanner Electronics Inc., Vice-Chairman, Delta Networks (Xiamen) Ltd., etc.	Director	Bruce CH Cheng/ Ping Cheng	Father and Son/ Brothers	-

Title	Nationality/ Place of Incorporation	Name	Gen- der	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions in Other Companies (Note 1)	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note	
							Shares	%	Shares	%	Shares	%	Shares	%			Shares	%	Title		Name
Independent Director	TW	Yung-Chin Chen	M	June 11 2018	3	June 19 2012	0	0.0000%	0	0.0000%	0	0.0000%	0	0.0000%	MA Accounting, Soochow University/ CPA and Partner, PWC Taiwan	Director, Prime Oil Chemical Service Corporation, Independent Director and Compensation Committee Member, China Television Company, Independent Director and Compensation Committee Member, WPG Holdings Limited, etc.					
Independent Director	TW	George Chao	M	June 11 2018	3	June 19 2012	0	0.0000%	0	0.0000%	0	0.0000%	0	0.0000%	Department of Banking and Insurance, Tamkang University/ Chairman, 3M Taiwan Limited	-	-	-	-	-	
Independent Director	TW	Tsong- Pyng Peng	M	June 11 2018	3	June 19 2012	0	0.0000%	0	0.0000%	0	0.0000%	0	0.0000%	Ph.D. Materials Science and Engineering, University of Illinois/ Chairman, Department of Materials Science and Engineering, National Tsing Hua University, Dean of Academic Affairs, National Tsing Hua University, President, Materials Research Society Taiwan, President, Yuan Ze University	-	-	-	-	-	
Independent Director	TW	Ji-Ren Lee	M	June 11 2018	3	June 8 2016	0	0.0000%	0	0.0000%	0	0.0000%	0	0.0000%	P.h.D. in Strategic Management, University of Illinois at Urbana Champaign/ Associate Dean, College of Management and Executive Director, EMBA Program, National Taiwan University, Director, Creativity and Entrepreneurship Program, National Taiwan University	Independent Director and Compensation Committee Member, ACER Incorporated, Independent Director and Compensation Committee Member, Vivotek, Inc., Compensation Committee Member, MediaTek Inc., Director, Long-chen Paper & Packaging Co., Ltd., Chairman, B Current Impact Investment Fund 3, Chairman, Wsync Startup Service and Consulting Corporation Limited, Chairman, AXR Entrepreneurship and Business Consulting Co., Ltd., Director, CommonWealth Education Media and Publishing Co., Ltd. and Director, Social Enterprise Insights					

Note 1 : Please refer to the section of the Information of Directors, Supervisors and Presidents of Affiliates for other positions in other companies held by directors including independent directors of the Company.

Note 2 : The Company's Director Bruce CH Cheng awarded with Honorary Doctorate from National Tsing Hua University, Honorary Doctorate from National Central University, Honorary Doctorate from National Cheng Kung University, Honorary Doctorate from National Taiwan University of Science and Technology, Honorary Doctorate from National Taipei University of Technology, Honorary Doctorate from National Chiao Tung University, Honorary Doctor from Asia University, Honorary Doctorate of Social Science from National University of Hong Kong, Honorary Doctorate from Taipei Medical University, Honorary Doctor of Science from National Yang-Ming University and Honorary Doctorate from National Taiwan University.

Major shareholders of the institutional shareholders: None

Professional qualifications and independence analysis of directors

April 28, 2020

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Yancey Hai			V			V		V	V		V	V	V	V	V	2
Mark Ko			V			V		V	V		V	V	V	V	V	0
Bruce CH Cheng			V	V					V		V	V		V	V	0
Ping Cheng			V					V	V		V	V		V	V	0
Simon Chang			V			V		V	V		V	V	V	V	V	0
Albert Chang			V	V		V	V	V	V	V	V	V	V	V	V	0
Victor Cheng			V					V	V		V	V		V	V	0
Yung-Chin Chen	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	2
George Chao			V	V	V	V	V	V	V	V	V	V	V	V	V	0
Tsong-Pyng Perng	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	0
Ji-Ren Lee	V		V	V	V	V	V	V	V	V	V	V	V	V	V	2

Note: Please tick the corresponding boxes that apply to the directors or independent directors during the two years prior to being elected or during the term of office.

- Not an employee of the Company or any of its affiliates.
- Not a director or supervisor of the Company or any of its affiliates (does not apply when an independent director of the Company has served as an independent director of the parent company, a subsidiary, or any of its affiliates in accordance with the Act or local regulations.)
- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
- Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) and (3).
- Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (does not apply when an independent director of the Company has served as an independent director of the parent company, a subsidiary, or any of its affiliates in accordance with the Act or local regulations).
- Not the same person who controls a majority of the Company's director seats or voting shares and those of any other company: a director, supervisor, or employee of that other company (does not apply when an independent director of the Company has served as an independent director of the parent company, a subsidiary, or any of its affiliates in accordance with the Act or local regulations).
- Not the same person or its spouse as the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution: a director (or governor), supervisor, or employee of that other company or institution (does not apply when an independent director of the Company has served as an independent director of the parent company, a subsidiary, or any of its affiliates in accordance with the Act or local regulations).
- Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (does not apply when a specified company or institution that holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, and when an independent director of the Company has served as an independent director of the parent company, a subsidiary, or any of its affiliates in accordance with the Act or local regulations).
- Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation under NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the compensation committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- Not been a person under any of the conditions defined in Article 30 of the Company Act.
- Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

3.2.2 Management team

April 13, 2020

Title	Nationality	Name	Gender	Date Effective (Note 1)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position (Note 4)	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman in Strategic Steering Committee of Delta Electronics, Inc.	TW	Yancey Hai	M	August 16, 2012	984,067	0.0379%	0	0.0000%	0	0.0000%	Master Degree in International Business Management, the University of Texas at Dallas/ Country Manager, GE Capital Taiwan, Vice-Chairman and CEO, Delta Electronics, Inc.	Director, CTCI Corporation; Independent Director, USI Corporation, Independent Director and compensation committee member, Taiwan Semiconductor Manufacturing Company Limited, etc.	-	-	-	-
Vice-Chairman in Strategic Steering Committee of Delta Electronics, Inc.,	TW	Mark Ko	M	August 16, 2012	837,630	0.0311%	0	0.0000%	0	0.0000%	Department of Electrical and Control Engineering, National Chiao Tung University/ President and COO, Delta Electronics, Inc.	Director, Delta Electronics (Thailand) Public Company Limited, etc.	-	-	-	-
CEO	TW	Ping Cheng	M	June 28, 2012	55,640,093	2.1420%	0	0.0000%	0	0.0000%	Department of Business Administration, California State University, Hayward / Senior Vice-President, Delta Electronics, Inc. and President in Greater China Area, Delta Electronics, Inc.	Director, Delta Electronics (Thailand) Public Company Limited, etc.	-	-	-	-
President, COO and Branch Manager	TW	Simon Chang	M	July 3, 2017	903,811	0.0348%	517	0.0000%	0	0.0000%	EMBA of Chung Yuan Christian University/ Senior Vice-President and General Manager Del-ta Electronics, Inc.	Director, Betacera Inc., etc.	-	-	-	(Note 3)
Vice-President	TW	Steven Liu	M	June 28, 2012	250,027	0.0096%	69,172	0.0027%	0	0.0000%	Department of Mechanical Engineering, National Kaohsiung University of Science and Technology/ Chairman and CEO, Cytotec Co., Ltd.	Chairman Cytotec Co., Ltd., etc.	-	-	-	(Note 2)
Corporate CFO	TW	Judy Wang	F	August 1, 2013	8,572	0.0003%	0	0.0000%	0	0.0000%	MS Finance, National Taiwan University, Bachelor of Accounting, Soochow University/ Vice-President and CFO, Delta Electronics, Inc.	Director, Delta Electronics Int'l (Singapore) Pte. Ltd., etc.	-	-	-	-
Branch Manager	TW	Charles Tsai	M	October 28, 2005	0	0.0000%	0	0.0000%	0	0.0000%	Ph.D., Department of Electrical Engineering, National Cheng Kung University	-	-	-	-	(Note 3)
Company Secretary	TW	Shalin Chen	F	April 29, 2019	2,105	0.0001%	0	0.0000%	0	0.0000%	Department of Accounting, Chung Yuan Christian University/ Director, PwC, Taiwan	Supervisor, Cytotec Co., Ltd., etc.	-	-	-	-

Note 1: Members in management team have taken office from date of effective to now.

Note 2: Due to position adjustment of the Company, the position of Mr. Steven Liu as Vice President has been removed since October 28, 2020. The information of shareholdings is disclosed as of the removal date.

Note 3: Due to organization restructuring of the Company, the position of Mr. Charles Tsai as a manager of Tainan branch has been removed since October 28, 2020. The position has been taken over by Mr. Simon Chang. The information of shareholdings held by Mr. Charles Tsai is disclosed as of the removal date.

Note 4: Please refer to the section of the Information of Directors, Supervisors and Presidents of Affiliates for other positions in other companies held by management team of the Company.

▶ 3.3 Remuneration paid during the most recent fiscal year to directors, the general managers, and vice general managers

3.3.1 Remuneration paid to directors and independent directors

Unit: NT\$1,000

Title	Name	Directors Remuneration				Remuneration Received as Employee				Ratio of total A, B, C, D, E, F and G to Net Income (Note 10)		Remuneration from Invested Companies Other Than Subsidiaries or Parent Company (Note 11)							
		Remuneration(A) (Note 2)		Pension (B)		Remuneration to Directors(C) (Note 3)		Allowances (D) (Note 4)		Salary, Bonus and Special Allowance (E)(Note 5)			Pension (F)		Employee Bonus (G) (Note 6)				
		The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)		Cash	Stock	The Company	All Companies in The Consolidated Financial Statements (Note7)	Cash	Stock	
Director	Bruce CH Cheng	0	0	0	0	16,400	17,086	0	0	40,925	699	150,787	0	169,543	0	0.82%	0.90%	772	
	Yancey Hai																		
	Mark Ko																		
	Ping Cheng																		
	Simon Chang																		
	Albert Chang																		
Independent Director	Victor Cheng																		
	Yung-Chin Chen																		
	George Chao	0	0	0	0	13,000	14,000	0	42	0	0	0	0	0	0	0.05%	0.06%	0	
Independent Director	Tsong-Pyng Peng																		
	JJ-Ren Lee																		

1. Directors and Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:

According to the Company's Articles of Association, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of no more than 1% as the compensation for directors. Remuneration for directors of the Company shall be evaluated by the Compensation Committee according to their respective participation in operation and value of contribution, and the Board of Directors is authorized to determine their remuneration according to the evaluation made by the Compensation Committee and general standard in the same industries. There may be a difference in the remuneration of independent directors and non-independent directors due to double-duty performance in the Audit Committee and Compensation Committee. The remuneration of independent directors who serve as functional committee chairpersons may be higher than that of other independent directors.

2. Except as disclosed in the above table, remuneration to directors received due to the service provided to all companies listed in the consolidated financial statement (such as being independent consultants, etc.) in the most recent year: None.

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Items of Remunerations (A+B+C+D)		Aggregate of First Seven Items of Remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in The Consolidated Financial Statements (Note 9) H	The Company (Note 8)	All Companies in The Consolidated Financial Statements (Note 9) I
Below NT\$1,000,000	Ping Cheng, Simon Chang, Victor Cheng	Ping Cheng, Simon Chang, Victor Cheng		
NT\$1,000,000 (incl.) to NT\$2,000,000 (not incl.)				
NT\$2,000,000 (incl.) to NT\$3,500,000 (not incl.)	Albert Chang, Tsong-Pyng Perng, Ji-Ren Lee	Albert Chang, Tsong-Pyng Perng	Albert Chang, Tsong-Pyng Perng, Ji-Ren Lee	Albert Chang, Tsong-Pyng Perng
NT\$3,500,000 (incl.) to NT\$5,000,000 (not incl.)	Bruce CH Cheng, Yancey Hai, Mark Ko, Yung- Chin Chen, George Chao	Bruce CH Cheng, Yancey Hai, Mark Ko, Yung- Chin Chen, George Chao, Ji-Ren Lee	Bruce CH Cheng, Yung- Chin Chen, George Chao	Bruce CH Cheng, Yung- Chin Chen, George Chao, Ji-Ren Lee
NT\$5,000,000 (incl.) to NT\$10,000,000 (not incl.)				
NT\$10,000,000 (incl.) to NT\$15,000,000 (not incl.)			Victor Cheng	
NT\$15,000,000 (incl.) to NT\$30,000,000 (not incl.)				Victor Cheng
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)			Mark Ko, Ping Cheng, Simon Chang	Mark Ko
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)			Yancey Hai	Yancey Hai, Ping Cheng, Simon Chang
Above NT\$100,000,000				
Total	11 persons	11 persons	11 persons	11 persons

Note 1: The names of the directors shall be listed separately (the legal person shareholder shall be listed with both its name and the representative's name), and directors and independent directors should be listed separately. The amount of each payment shall be disclosed in a summary manner.

Note 2: The remuneration of directors in the latest year (including directors' remuneration, duty allowances, pension, bonuses, rewards, etc.).

Note 3: The amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to the expenses incurred by directors to perform relevant duties including transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the directors in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the company's payment for the driver, but not included in remuneration.

Note 5: Refers to the emoluments, duty allowances, pension pay, bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the directors act concurrently as employees including president, vice-president, other managers and employees in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the Company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth. They shall also be included in the remuneration.

Note 6: If the directors act concurrently as employees (including president, vice-president, other managers and employees) who receive employee remuneration (including stock and cash), the amount of remuneration approved by the Board of Directors in the latest year shall be disclosed. If it is unpredictable, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. And the attached sheet 1-3 shall be filled out.

Note 7: Total amount of remuneration for the directors paid by all companies (including the Company) in the consolidated financial statements of the Company shall be disclosed.

Note 8: Total amount of remuneration for each director paid by the Company with disclosure of the directors' names in the corresponding brackets.

Note 9: It shall disclose total remuneration for each directors of the Company paid by all companies (including the Company) in the consolidated financial statements, and disclose the names of the directors in the corresponding brackets.

Note 10: Net Income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 11: a. This column should clearly be filled out with the remuneration amount related to invsted companies other than subsidiaries or parent company for directors of the Company.

b. If the directors of the Company receive the remuneration from the invested companies other than subsidiaries or parent company, the remuneration shall be merged with the column I of the emolument bracket sheet; and the name of the column shall be changed to "Remuneration from Invested Companies Other Than Subsidiaries or Parent Company".

c. Remuneration refers to the emolument (including employees, directors and supervisors emoluments) and business operation expense, etc., for directors of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries or parent company.

* The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

3.3.2 Remuneration paid to supervisors and remuneration range: Not applicable.

3.3.3 Remuneration paid to the general manager and vice general managers

Unit: NT\$1,000

Title	Name	Remuneration (A) (Note 2)		Pension(B)		Bonus and Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)			Ratio of total (A), (B), (C) and (D) to Net Income (%) (Note 8)		Remuneration from Invested Companies other than Subsidiaries or Parent Company (Note 9)
		The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company	All Companies In The Consolidated Financial Statements (Note 5)	Cash	Stock	The Company	
CEO	Ping Cheng												
Chairman in Strategic Steering Committee	Yancey Hai												
Vice-Chairman in Strategic Steering Committee	Mark Ko	34,494	38,780	591	640	1,897	2,508	141,767	0	175,973	0	0.70%	60
President and COO	Simon Chang												
Vice-President	Steven Liu												

* Job positions equivalent to general managers and vice general managers (ex: presidents, CEO, executive presidents, etc.) should be disclosed whatever the titles are.7

*The Board of Directors approved the removal of the position of Mr. Steven Liu as Vice-President on October 28, 2020. The information of remuneration paid to Mr. Steven is disclosed as of the removal date.

Table of Remuneration Ranges

Range of Remuneration Paid to General Managers and Vice-General Managers	Names of General Managers and Vice-General Managers	
	The Company (Note 6)	All companies in The Consolidated Financial Statements (Note 7) E
Below NT\$1,000,000	Steven Liu	
NT\$1,000,000 (incl.) to NT\$2,000,000 (not incl.)		
NT\$2,000,000 (incl.) to NT\$3,500,000 (not incl.)		
NT\$3,500,000 (incl.) to NT\$5,000,000 (not incl.)		
NT\$5,000,000 (incl.) to NT\$10,000,000 (not incl.)		
NT\$10,000,000 (incl.) to NT\$15,000,000 (not incl.)		
NT\$15,000,000 (incl.) to NT\$30,000,000 (not incl.)		Steven Liu
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)	Mark Ko, Ping Cheng, Simon Chang	Mark Ko, Simon Chang
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)	Yancey Hai	Yancey Hai, Ping Cheng
Above NT\$100,000,000		
Total	5 persons	5 persons

Note 1: The names of the general managers and the vice-general managers shall be separately listed, and the amount of each payment shall be disclosed in a summary manner.

Note 2: Filled with emoluments, duty allowances and pension of general managers and vice-general managers in the most recent year.

Note 3: Refers to the bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the general managers and vice-general managers in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the Company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates and restricted stock awards, and participating in cash capital increase and subscription of shares. They shall also be included in the remuneration.

Note 4: The amount of remuneration (including stock and cash) of the employees who have been assigned as managers by the board of directors in the most recent year. If it is unpredictable, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. And the attached sheet 1-3 shall be filled out.

Note 5: Total amount of remuneration for the general managers and vice-general managers paid by all companies (including the Company) listed in the consolidated financial statements of the Company shall be disclosed.

Note 6: Total amount of remuneration for each general manager and vice-general manager paid by the Company with disclosure of the names of general managers and vice-general managers in the corresponding brackets.

Note 7: It shall disclose total remuneration for each general managers and vice-general managers of the Company paid by all companies (including the Company) in the consolidated financial statements, and disclose the names of the general managers and the vice-general managers in the corresponding brackets.

Note 8: Net income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 9: a. This column should clearly be filled out with the remuneration amount related to invested companies other than subsidiaries for general managers and vice-general managers of the Company.

b. If the general managers or vice-general managers of the Company receive the emoluments from the invested companies other than subsidiaries, the remuneration shall be merged with the column E of the remuneration bracket sheet; and the name of the column shall be changed to "Remuneration from Invested companies and parent company"

c. Remuneration refers to the emolument (including employee, director and supervisor's emoluments) and business operation expense, etc. general managers and vice-general managers of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries.

* The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

3.3.4 Earnings distribution as employees' remuneration to management team

Unit: NT\$1,000

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Percentage of the Total to Net Income (%)
Managers	Chairman in Strategic Steering Committee	Yancey Hai	0	202,482	202,482	0.79%
	Vice-Chairman in Strategic Steering Committee	Mark Ko				
	CEO	Ping Cheng				
	President, COO and Branch Manager	Simon Chang				
	Vice-President	Steven Liu				
	Corporate CFO	Judy Wang				
	Branch Manager	Charles Tsai				
	Company Secretary	Shalin Chen				

* Due to organization restructure of the Company, the Board of Directors approved the removal of Mr. Steven Liu and Mr. Charles Tsai as managers on October 28, 2020. The information of employees' remuneration distributed to Mr. Steven Liu and Mr. Charles Tsai is disclosed as of their removal date.

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary manner.

Note 2: The amount of remuneration (including stock and cash) of the employees who have been assigned as managers by the board of directors in the latest year. If it is unpredictable, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. Net income refers to the profit after income tax in the latest year; if the International Financial Reporting Standard has been adopted, the net income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 3: The application scope of "manager" in accordance with the Regulation No. 0920001301 announced by the Financial Supervisory Commission, R.O.C. (Taiwan) on March 27, 2003 is as follows:

- (1) General manager and equivalent
- (2) Vice-general manager and equivalent
- (3) Associate general manager and equivalent
- (4) Head of finance department
- (5) Head of accounting department
- (6) Other person who have the rights to manage affairs and sign for the company

Note 4: If directors, general manager or vice-general manager receive employee's remuneration (including stock and cash), not only the sheet 1-2 shall be filled out, but also this sheet shall be filled out.

3.3.5 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements in the most recent two years to directors, supervisors, general managers, and vice general managers of the Company and analysis and description of remuneration policies, standards, packages and the procedure for determining remuneration, and their linkage to operating performance and future risk exposure.

3.3.5.1 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements in the most recent two years to directors, supervisors, general managers, and vice general managers of the Company

The Company

Unit: NT\$1,000

Year	Total Remuneration to Directors, General Managers and Vice-General Managers	The Proportion of Total Amount to Profit after Income Tax (%)
2019	203,050	0.88%
2020	221,811	0.87%

All Consolidated Companies

Unit: NT\$1,000

Year	Total Remuneration to Directors, General Managers and Vice-General Managers	The Proportion of Total Amount to Profit after Income Tax (%)
2019	249,955	1.08%
2020	268,962	1.06%

3.3.5.2. Analysis and description of remuneration policies, standards, packages and the procedure for determining remuneration, and their linkage to operating performance and future risk exposure.

Pursuant to the Article 30 of the Article of Incorporation of the Company, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors. Remuneration for directors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries. Remuneration for independent directors may be different from non-independent directors.

The compensation of the Company's managers is determined according to their duties, ranks, professional abilities, and with reference to the salary standard in the same industries. Bonuses are highly related to the Company's operation results and performance. The proposals of managers' compensation are evaluated by the executives' salary performance indicators that are scored annually (indicators include revenue, achievement rate of target net profit, return on shareholder equity, etc.) and through benchmark a group of selected peer companies. After evaluation by the Compensation Committee, it is submitted their recommendation to the Board of Directors for approval.

► 3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

A total of 8 (A) meetings of the Board of Directors were held in 2020 and 2021 till the date of publication of the annual report. The attendance of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Yancey Hai	8	0	100%	-
Vice-Chairman	Mark Ko	7	1	87.5%	-
Director	Bruce CH Cheng	8	0	100%	-
Director	Ping Cheng	8	0	100%	-
Director	Simon Chang	8	0	100%	-
Director	Albert Chang	8	0	100%	-
Director	Victor Cheng	8	0	100%	-
Independent director	Yung-Chin Chen	8	0	100%	-
Independent director	George Chao	7	1	87.5%	-
Independent director	Tsong-Pyng Perng	8	0	100%	-
Independent director	Ji-Ren Lee	8	0	100%	-

Independent directors attended each meetings of the Board of Directors in 2020 and 2021 till the date of publication of the annual report as follows:

Title	Name	The 18 th term							
		10 th	11 th	12 th	13 th	14 th	15 th	16 th	17 th
		2020.3.10	2020.4.29	2020.5.29	2020.7.29	2020.10.28	2020.12.22	2021.2.24	2021.4.28
Independent director	Yung-Chin Chen	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	George Chao	Attendance in Person	By Proxy	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Tsong-Pyng Perng	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Ji-Ren Lee	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.
The Company has established an audit committees, hence the Article 14-3 of Securities and Exchange Act shall not be applicable. Please refer to the chapter of Audit Committee in the Annual Report.
- (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

- (1) Board of Directors' meeting on April 29, 2020

Proposal: To approve recommendations on 2020 managers' compensation

Directors' avoidance of motions in conflict of interest: Yancey Hai, Mark Ko, Ping Cheng and Simon Chang
Contents of motion, causes for avoidance and voting: Based on Article 206 of the Company Act, except for the directors, Mr. Yancey Hai, Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang who shall not participate in voting on managers' compensation and Mr. Victor Cheng who left temporarily, the rest of directors unanimously approved this motion.

(2) Board of Directors' meeting on October 28, 2020

Proposal: To approve recommendations on 2020 directors' compensation

Directors' avoidance of motions in conflict of interest: The directors who are the interested party and shall not participate in discussion or voting on respective directors' compensation agenda item

Contents of motion, causes for avoidance and voting: Based on Article 206 of the Company Act, except for the directors who are the interested party and shall not participate in discussion or voting on respective directors' compensation agenda item, the rest of directors unanimously approved this motion.

Proposal: To approve the change of branch manager

Directors' avoidance of motions in conflict of interest: Simon Chang

Contents of motion, causes for avoidance and voting: Based on Section 2, Article 206 of the Company Act, except for the director, Mr. Simon Chang who shall not participate in voting on the change of branch manager, the rest of directors unanimously approved this motion.

(3) Board of Directors' meeting on April 28, 2021

Proposal: To approve recommendations on 2021 managers' compensation

Directors' avoidance of motions in conflict of interest: Yancey Hai, Mark Ko, Ping Cheng and Simon Chang

Contents of motion, causes for avoidance and voting: Based on Article 206 of the Company Act, except for the directors, Mr. Yancey Hai, Mr. Ping Cheng, Mr. Mark Ko, and Mr. Simon Chang who shall not participate in voting on managers' compensation and Mr. Victor Cheng who left temporarily, the rest of directors unanimously approved this motion.

3. Evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the Company's board of directors and board members are disclosed as below:

Evaluation Cycles	Evaluation Periods	Evaluation Scopes	Evaluation Methods	Evaluation Procedures
<p>The Company shall conduct an internal board performance evaluation at least once a year. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.</p>	<p>From January 1, 2020 to December 31, 2020</p>	<p>The scope of the Company's board evaluation may include the evaluation of the board as a whole, individual directors, audit committee and compensation committee.</p>	<p>Methods of evaluations include the internal evaluation of the board, self-evaluation by each board member, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.</p>	<p>A. The criteria for evaluating the performance of the Company's board of directors includes the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. <p>B. The criteria for evaluating the performance of the board members, whether conducting by the board members themselves or among peers, includes the following six aspects:</p> <ol style="list-style-type: none"> 1. Familiarity with the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the Company; 4. Management and communication of internal relationship; 5. The director's profession and continuing education; and 6. Internal control. <p>C. The criteria for evaluating the performance of the audit committee includes the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company; 2. Awareness of the duties of the audit committee; 3. Improvement of quality of decisions made by the audit committee; 4. Makeup of the audit committee and election of its members; and 5. Internal control. <p>C. The criteria for evaluating the performance of the compensation committee includes the following four aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company; 2. Awareness of the duties of the compensation committee; 3. Improvement of quality of decisions made by the compensations committee; and 4. Makeup of the compensation committee and election of its members.

4. During this and the recent past fiscal year, measures taken to strengthen the functionality of the board (e. g, establishment of an Audit Committee and enhancing information transparency) and evaluate the implementation of such measures.

During this and the recent past fiscal year, measures taken to strengthen the functionality of the board of the Company and evaluate the implementation of such measures, please refer to the subsections of "Audit Committee", "Corporate governance implementation status and deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" "and" If the Company has a compensation committee in place, the composition, duties, and operation of the compensation committee shall be disclosed" in the section of "Implementation of Corporate Governance" in this annual report.

The Company adheres to its consistent attitude towards information transparency. Important resolutions made by the Board of Directors are posted on the Market Observation Post System immediately after the Board of Director's meetings to safeguard the interests of shareholders. In addition, regular investor meetings are held to enhance investors' recognition of the Company.

3.4.2 Audit Committee

The Company established an Audit Committee that is composed of the entire number of independent directors pursuant to the acts. The Audit Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary. The annual tasks for the Audit Committee is responsible for supervising the fair presentation of the Company's financial statements, the selection and termination of the independent auditor and its independence and performance, the effectiveness of the Company's internal control, the Company's compliance with relevant laws and regulations and the Company's existing or potential risks. The independent directors review the results of internal audit department on a monthly basis, and the chief internal auditor reports to the Audit Committee and directors on major findings in meetings of Audit Committee and meetings of Board of Directors. Furthermore, the Audit Committee individually communicates with chief internal auditor at least once a quarter about major audit findings, and individually communicates with CPA about their auditing and reviewing the Company's consolidated financial statements (including parent company only financial statement annually). The relevant information including material items and results is disclosed on the Company's website "Communication between Independent Directors, the Chief Internal Auditors and CPAs."

A total of 7 (A) meetings of the Audit Committee were held in 2020 and 2021 till the date of publication of the annual report. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent director	Yung-Chin Chen	7	0	100%	has not served more than three consecutive terms
Independent director	George Chao	6	1	85.71%	has not served more than three consecutive terms
Independent director	Tosng-Pyng Perng	7	0	100%	has not served more than three consecutive terms
Independent director	Ji-Ren Lee	7	0	100%	has not served more than three consecutive terms

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

- (1) Matters referred to Article 14-5 of the Securities and Exchange Act.
- (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Matters in each board resolutions related to the circumstances mentioned in (1) and (2) are listed below:

Meetings of Board of Directors	Contents of resolutions and follow-up	Matters referred to Article 14-5 of the Securities and Exchange Act.	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors
March 10, 2020 The 10th in the 18th term	1. To approve 2019 annual final accounting books and statements	V	None
	2. To distribute 2019 earnings	V	None
	3. To approved the re-domiciliation of Delta International Holding Limited	V	None
	4. To evaluate the independence of the appointed external auditors	V	None
	5. To approve the amendments to the Shareholders' Meeting Rules and Procedures	V	None
	6. To approve the amendments to the Rules and Procedures of the Meeting of Board of Directors	V	None
	7. To approve the amendments to the Audit Committee Charter	V	None
	8. To approve the amendments to the Ethical Corporate Management Best Practice Principles	V	None
	9. To approve the assessment of the effectiveness of the 2019 internal control system	V	None
	10. To approve 2019 Internal Control System Statement	V	None
	Resolution of the Audit Committee (2020.03.10): The Audit Committee unanimously approved this motion.		
The Company's response to the Audit Committee's opinion: Not applicable because the Audit Committee unanimously approved this motion.			
May 29, 2020 The 12th in the 18th term	1. 1. To approve that Delta Electronics (Netherlands) B.V. proposed an acquisition of 100% shareholdings in Trihedral Engineering Limited	V	None
	Resolution of the Audit Committee (2020.05.29): The Audit Committee unanimously approved this motion.		
	The Company's response to the Audit Committee's opinion: Not applicable because the Audit Committee unanimously approved this motion.		
July 29, 2020 The 13th in the 18th term	1. To approve the establishment of the Delta Risk Management Policy	V	None
	2. To approve the amendments to the Management of the Procedures for Preparation of Financial Statements	V	None
	3. To approve the amendments to the Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter and Rules and Procedures of the Meeting of Board of Directors	V	None
	Resolution of the Audit Committee (2020.07.29): The Audit Committee unanimously approved this motion.		
The Company's response to the Audit Committee's opinion: Not applicable because the Audit Committee unanimously approved this motion.			

Meetings of Board of Directors	Contents of resolutions and follow-up	Matters referred to Article 14-5 of the Securities and Exchange Act.	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors
October 28, 2020 The 14th in the 18th term	1. To approve a merger with its 100% owned subsidiary, UNICOM SYSTEM ENG. CORP.	V	None
	2. To approve the amendments to the Personal Information Protection Policy	V	None
	3. To approve the Company's 2021 internal audit plan	V	None
	Resolution of the Audit Committee (2020.10.28): The Audit Committee unanimously approved this motion.		
	The Company's response to the Audit Committee's opinion: Not applicable because the Audit Committee unanimously approved this motion.		
February 24, 2021 The 16th in the 18th term	1. To approve 2020 annual final accounting books and statements	V	None
	2. To distribute 2020 earnings	V	None
	3. To evaluate the independence of the appointed external auditors	V	None
	4. To approve the assessment of the effectiveness of the 2020 internal control system	V	None
	5. To approve 2020 Internal Control System Statement	V	None
	Resolution of the Audit Committee (2021.02.24): The Audit Committee unanimously approved this motion.		
	The Company's response to the Audit Committee's opinion: Not applicable because the Audit Committee unanimously approved this motion.		

3.4.2.2 If there are independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of motion, causes for avoidance and voting should be specified: None

3.4.2.3 Communications between the independent directors, the Company's chief internal auditor and CPAs (including the material items, methods and results of the Company's finance or operations)

(1) The independent directors review the results of internal audit department on a monthly basis, and the chief internal auditor reports to the Audit Committee and directors on major findings in meetings of Audit Committee and meetings of Board of Directors. The chief internal auditor individually holds discussions with the Audit Committee about recent findings on a quarterly basis and communicates issues addressed by the Audit Committee after monthly audit report is released. If necessary, relevant supervisors are invited to attend meetings to get their statements regarding important issues and conclusions as well as their suggestions that would be consolidated and reported by the chief internal auditor in the meetings of Audit Committee and Board of Directors. The instructions of the Audit Committee and Board of Directors would be the guideline for implementation.

(2) According to Auditing Standards, No. 62, a CPA should audit or quarterly review the Company's consolidated financial statements (including parent company only financial statement annually) during the planning and completion stages as well as collect and organize all information to be given individually to the Audit Committees orally.

Communications between the independent directors and the Company's chief internal auditor and CPAs in 2020 and until the publication of the annual report:

Date of the Audit Committee's Meetings	Material Communication Items between chief internal auditor	Material Communication Items between the CPAs
<p>2020.03.10 The 10th in the 3rd term</p>	<p>Report and communication on audit report of 2019 Q4</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2019 consolidated and parent company only financial statement and audited report of independent accountants as well as annual audit plan.</p>
<p>2020.04.29 The 11th in the 3rd term</p>	<p>Report and communication on audit report of 2020 Q1 Advice from Audit Committee: enhance the CCTV's recognition capabilities and consider introducing facial recognition technology. The Audit Committee also recommends enhancing the DET HR Payroll system password setting rules and modify it regularly. It is recommended that Delta's standard regulations are applied to other management systems accordingly. Execution result: Improvements have been assessed and those are accomplished by gradually.</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2020Q1 consolidated financial statement and review report of independent accountants..</p>
<p>2020.07.29 The 13th in the 3rd term</p>	<p>Report and communication on audit report of 2020 Q2</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2020 Q2 consolidated financial statement and review report of independent accountants.</p>
<p>2020.10.28 The 14th in the 3rd term</p>	<p>Report and communication on audit report of 2020 Q3 The Company's 2021 internal audit plan</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2020 Q3 consolidated financial statement and review report of independent accountants.</p>
<p>2021.02.24 The 15th in the 3rd term</p>	<p>Report and communication on audit report of 2020 Q4</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2020 consolidated and parent company only financial statement and audited report of independent accountants as well as annual audit plan.</p>
<p>2021.04.28 The 16th in the 3rd term</p>	<p>Report and communication on audit report of 2021 Q1</p>	<p>CPAs attended the meeting in person for discussing and communicating with independent directors on 2021 Q1 consolidated financial statement and review report of independent accountants.</p>
<p>Executive result: The matters mention above have been reviewed or approved by the Audit Committee and no objection from the independent directors.</p>		

3.4.3 Corporate governance implementation status and deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"

3.4.3.1 Corporate governance and code of ethics

Evaluation Items	Implementation Status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
1. Does the Company set up and disclose the Corporate Governance based on the "Corporate Governance Best-Practice Principles for TWSE-TPEX Listed Companies?"	√		The Company has set up the "Corporate Governance Best Practice Principles" which has been disclosed on the Company's official website under the Corporate Governance section.	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
2. The Company's shareholding structure and shareholders' rights				Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(1) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations and implement based on the procedures?	√		The Company has assigned a spokesman and acting spokesman, investor service unit, investor relations unit and their contact information are disclosed on the Company's official website so shareholders can express their opinions by phone or email. The Company in turn handles the issues according to relevant procedures.	
(2) Does the Company have a list of its major shareholders and the beneficial owners of those shares?	√		The major shareholders of the Company report changes in shareholding to the Company every month pursuant to the law. The list of top 10 shareholders is also disclosed in the annual report every year.	
(3) Does the Company establish and implement risk management and firewall system within its conglomerate structure?	√		The Company has built relevant controls in the internal control system and "Related Party Transaction Management" in accordance with regulations.	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	√		The Company has established its Ethical Corporate Management Best Practice Principles, Code of Conduct and Procedures for Handling Material Inside Information that regulate the Company's personnel with respect to situations related to their duties that may give rise to the conflicts of interest and prohibit using undisclosed information or divulging in order to prevent insider trading. The Company courses, including confidentiality of material information and regulations of insider trading for all directors and employees at least once a year. Please refer to "Labor Relations" in this annual report for the number of participants in the cours and completion rate.	
3. Composition and responsibilities of the Board of Directors				Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(1) Does the company develop and implement a diversified policy for the composition of its members?	√		According to Article 20.3 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration, such as having different professional background, working field or gender, etc., and shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration.	

Evaluation Items	Implementation Status		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reason(s)
	Yes	No	
		<p>4. Ability to conduct crisis management.</p> <p>5. Knowledge of the industry.</p> <p>6. An international market perspective.</p> <p>7. Ability to lead.</p> <p>8. Ability to make policy decisions.</p> <p>The implementation of diversity of the Board of Directors' members is showed in Note. 1.</p> <p>The Board of Directors of the Company is made up of 11 directors including 4 independent directors and the proportion of the independent directors constitutes 36% of the Board. One independent director has served for 5 years, and the other three have served for 9 years. Besides, there are 5 directors who are also employees of the Company constituting 45% of the Board. 6 directors are between 55 and 65 years old constituting 55% of all directors. 4 directors are between 66 and 75 years old constituting 36% of the Board. One director is between 76 and 85 years old constituting 9% of the Board. The chairman of the Company leads the Board in implementing a good Board governance mechanism to improve supervision and strengthen its management function.</p> <p>1. In order to implement a good Board governance mechanism, the diversity and professionalism of the Board members need to be considered:</p> <p>(1) Diversity of Board members</p> <p>Goal : As stated in the "Director Election Regulations" and "Corporate Governance Best Practice Principles", the appointment of directors should consider the overall composition of the Board of Directors. The composition of Board members should be diversified, such as having different professional backgrounds, fields of work or genders; as well as different knowledge, skills and attainment in order to exert the strategic guidance function. The goal for the members of the Board of Directors is at least one female director and at least one director having accounting or finance background.</p> <p>Achievement : All general directors have work experiences required for Company's business. As for professional fields, 9% of all directors have control engineering background; 18% of all directors have engineering (including electronic engineering) background; 9% of all directors have electronic background; 9% of all directors have materials science and engineering background; 9% of all directors have accounting background; 9% of all directors have international business management background and 18% of all directors have business management background; and 18% of all directors have both business management and (electrical) engineering background. The Board of Directors of the Company nominated a female candidate for the next term of members of the Board of Directors.</p>	

Evaluation Items	Implementation Status		Abstract Illustration	Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reason(s)
	Yes	No		
			<p>(2) Professionalism of Board members</p> <p>Goal : The overall consideration for the election of the Board of Directors of the Company includes operational judgment and management capabilities, accounting and financial analytical capabilities, crisis management capabilities, industry knowledge, international market outlook, leadership, and decision-making capabilities. In order to enhance the overall knowledge of the Company's highest management unit on economic, environmental and social issues, the Company invites external lecturers to hold internal training sessions annually, or arranges external training sessions for directors.</p> <p>Achievement : In 2020, the directors of the Company invites directors to participate in the internal training sessions on Corporate Strategy and the Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications.</p> <p>2. In order to improve the supervision function of the Board of Directors, increasing frequency of Board meetings is necessary to be considered:</p> <p>Goal : The Company's Board of Directors meets at least once a quarter to review business performance and discuss key strategic issues.</p> <p>Achievement : In 2020, the Board meetings were held six times, with an average attendance rate of 97.73%.</p> <p>3. In order to strengthen management functions of the Board of Directors, increasing the efficiency of the Board of Directors is necessary to be considered:</p> <p>Goal : In 2016, the Board of Directors passed a resolution to establish the "Rules of Performance Evaluation of the Board of Directors", which assesses an internal board performance evaluation at least once a year. The amendment to the "Rules of Performance Evaluation of the Board of Directors" also passed by the Board of Directors of Company on April 29, 2019 regarding the Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.</p> <p>Achievement : In 2020, the Company invited an external independent professional institution to evaluate the 2019 performance of the Board of Directors. The Self-Evaluation of Board Performance for the year of 2020 was completed by the end of the first quarter of 2021 and the results are: (1) 4.97 scores out of 5 scores as weighted average scores for the performance of the board of directors; and (2) 4.82 scores out of 5 scores as weighted average scores for the performance of the board members. The overall performance of the Board of Directors is working effectively.</p>	

Evaluation Items	Implementation Status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	√		The Company has set up a Strategic Steering Committee led by the chairman of the board which is responsible for analyzing and discussing major issues related to Company strategies, operations, organization, and providing advice and suggestions to the Board of Directors with regard to decision-making.	
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for election?	√		<p>On October 27, 2016, the Company established the "Rules of Performance Evaluation of the Board of Directors", which assesses an internal board performance evaluation at least once a year. The amendment to the "Rules of Performance Evaluation of the Board of Directors" approved by the Board of Directors of Company on April 29, 2019 regarding the Company's board performance evaluation being conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The Company's internal board performance evaluation in most recent year was conducted by the Company Secretary and the Investor Services Unit using internal questionnaires. Please refer to "Board of Directors" subsection for evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the Company's board of directors and board members.</p> <p>The Self-Evaluation of Board Performance completed on February 24, 2021 and reported to the Board of Directors on April 28, 2021 for review and improvement. The assessing results of 2020 self-evaluation of Board performance are as follows:</p> <p>Weighted average scores for the performance of the board of directors: 4.97 scores out of 5 scores. Weighted average scores for the performance of the board members: 4.82 scores out of 5 scores. Six major dimensions are improved compared with last year. Two indexes have significant improvement: 1) Directors spend sufficient time on matters relating to the board of directors; and 2) Directors take actions to understand and supervise the Company's accounting system, financial position and financial reports, audit reports and their follow-up.</p> <p>2021 plan:</p> <p>1) the implementation of risk management will be reported to the Board of Directors once a year; and</p> <p>2) a training session related to the latest laws and regulations will be arranged in the second half of the year.</p> <p>The overall average score of the Audit Committee self-evaluation is 4.93 (out of 5 points). Members of the Audit Committee affirmed colleagues' hard work at the Finance and Audit department and positive response to the opinions from the Audit Committee.</p> <p>The overall performance evaluation of the Board of directors is working effectively.</p> <p>The overall average score of the Compensation Committee self-evaluation is 4.87 (out of 5 points). Members of the Compensation Committee affirmed colleagues' hard work at the HR department and positive response to the opinions from the Compensation Committee.</p>	

Evaluation Items	Implementation Status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
(4) Does the Company regularly evaluate the independence of CPAs?	√		The financial department of the Company evaluates its external auditors' independence once a year and the evaluation results are reported to the Audit Committee and the Board of Directors for approval. The evaluation results on March 10, 2020 and February 24, 2021 indicate the external auditors' compliance with the Company's independence standards. The criteria for CPA independence review are detailed in Note 2	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors, assisting directors and supervisors to perform their functions assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	√		<p>The Company assigned the director of financial department to act concurrently as the Company Secretary through a meeting of board of directors on April 29, 2019. The Company Secretary has served in a managerial position for over 3 years in a public company in a unit handling shareholder affairs and corporate governance affairs.</p> <p>The Company Secretary and the Investor Services Unit are responsible for dealing with the following matters:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meeting; 2. Producing minutes of board meetings and shareholders meetings; 3. Assisting in onboarding and continuous development of directors; 4. Furnishing information required for business execution by directors; 5. Assisting directors with legal compliance; and 6. Other matters described or established in the articles of incorporation or contract. <p>The Company Secretary performed the assigned tasks in 2020 and participated 30 hours training sessions from taking up the position to the end of 2020, and the detail of training sessions are shown in note3.</p>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
5. Does the Company establish a communication channel and build a designated section on its web for stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), as well as handle all issues they care for in terms of corporate social responsibilities?	√		<ol style="list-style-type: none"> 1. The Company values the balance of rights and obligations among stakeholders (including shareholders, employees, suppliers and customers, banks, creditors, etc.). In addition to maintaining good communication, the Company has established "Communication with Stakeholders" section on the Company website and the contact e-mail address is: 2308@deltaww.com. 2. The Company has established "Corporate Governance" section for investors, so they can check and download relevant rules of corporate governance, important board resolutions and material information. 3. Simultaneously, a webpage of ESG has been set up on the Company's official website. The Company communicate with stakeholders through comprehensive channels including online questionnaire to understand key issues for stakeholders concern. The Company also disclose the practice and the most updated information about the ESG for stakeholders' reference. The hotline for stakeholders' feedback is csr@deltaww.com. 	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	√		The Company has appointed CTBC Bank Co., Ltd. to deal with shareholder affairs.	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Items	Implementation Status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
<p>7. Information Disclosure</p> <p>(1) Does the Company establish a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, web-casting investor conferences, etc.)?</p> <p>(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2 and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</p>	√		<p>The Company has established a public website to disclose both financial standings and the status of corporate governance.</p> <p>In addition to building an English website along with designating a dedicated staff to maintain it, the Company created a spokesman system, Investor Relations Unit and Investor Services Unit Information related to shareholders' meetings or investors' conferences is updated immediately on the Company website.</p> <p>The Company has announced and reported the annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2 and Q3 financial statements as well as monthly operation results before the prescribed time limit in accordance with the law and regulations</p>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
<p>8. Is there any other information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, training records of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies and the purchase of insurance for directors and supervisors, etc.)?</p>	√		<p>Regarding information on employee rights, employee wellness, investor relations, supplier relations and rights of stakeholders, please refer to Chapter 4 "EGS" in the annual report. The rest of information is listed below.</p>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved.

The Company ranked among top 5% in the 7th term (2020) of Corporate Governance Evaluation, and the implementation for losing scored items are listed below:

- (1) The Board of Directors of the Company nominated a female candidate for the next term of members of the Board of Directors.
- (2) The Company announced its annual financial report within two months after the end of the fiscal year.
- (3) The Company is constantly evaluating feasible schemes to improve those losing items.

10. If the Company has established Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", please describe its actual operations and deviations from the company principles:

The Company has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance best Practice Principles for TWSE/TPEX Listed Companies" and the principles were approved by the Board of Directors for the implementation of corporate governance and the further pursuit of maximization of shareholders' equity and the Company's sustainable operations. For corporate governance, please refer to the "Corporate Governance Report" section in the annual report. The actual operation has so significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Note 1: Diversity of the Board of Directors' members has been implemented as shown below

Diversity Items	Name of Directors Gender	Title	Years acting as an independent director	Age			Professional Background	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
				55-65	66-75	76-85									
	Yancey Hai M	Chairman/Chairman in Strategic Steering Committee	0	V			International Business Management	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent	Excellent
	Mark Ko M	Vice-Chairman/ Vice-Chairman in Strategic Steering Committee	0	V			Control Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Bruce CH Cheng M	Director	0		V		Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Ping Cheng M	Director/ CEO	0	V			Business Administration	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Simon Chang M	Director/ President and COO	0	V			Business Administration Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Albert Chang M	Director	0	V			Business Administration Electronics	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Victor Cheng M	Director/Senior Vice-President and General Manager of Information Communication Technology Infrastructure Business Group	0	V			Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Yung-Chin Chen M	Independent Director	9		V		Accounting	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent	Excellent
	George Chao M	Independent Director	9		V		Business Management	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Tsong-Pyng Peing M	Independent Director	9	V			Materials Science and Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
	Ji-Ren Lee M	Independent Director	5	V			Business Management	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent	Excellent

Note 2: Items for assessment of the CPA's independence for the last 2 years are shown below.

Evaluation Items	Evaluation Result	Compliant with Independence?
1. Does the CPA have a direct or significant/ indirect relations with the Company in financial interests?	No	Yes
2. Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relations or potential employment relationship with the Company?	No	Yes
4. Does the CPA or members of the audit team hold the posts in the Company, such as the director, supervisor and officer or occupied a key position with significant influence on the auditing process?	No	Yes
5. Does the CPA offer non-audit service which could impact the auditing process for the Company?	No	Yes
6. Does the CPA act as a broker for the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute?	No	Yes
8. Does the CPA have kinship with the Company's directors, supervisors, or officers or any post with significantly influences on the auditing work?	No	Yes

Note 3: Training sessions from taking up the position to the end of 2020 by the Company Secretary are shown below:

Institution of training	Name of the training session	Period of training		Hours of training
		Start	End	
Taiwan Corporate Governance Association	Corporate Strategy	2019/04/29	2019/04/29	3
Accounting Research and Development Foundation	Corporate Governance Practice: Trends and Case Studies of "Cross-functional Management of Corporate Values"	2019/05/23	2019/05/23	3
Accounting Research and Development Foundation	Practical Analysis and Relevant Regulations of Corporate Governance Roadmap (2018-2020) New Version	2019/05/23	2019/05/23	3
Taiwan Corporate Governance Association	Balance Between Technology and Humanities-Which Side AI Stand On	2019/07/31	2019/07/31	3
Accounting Research and Development Foundation	Practical Analysis of Evaluation Report Read and Analyzed by Corporate	2019/08/07	2019/08/07	3
Accounting Research and Development Foundation	Corporate Governance Practice: Analysis of Strategy and Application to Employees Awards	2020/03/26	2020/03/26	3
Accounting Research and Development Foundation	Corporate Governance Practice: Improvement of Business Effectiveness by Importing Artificial Intelligence and Blockchain	2020/06/11	2020/06/11	3
Accounting Research and Development Foundation	Key Amendments to the Relevant Regulations and Common Mistakes for the Preparation of IFRS Financial Report	2020/10/07	2020/10/07	3
Accounting Research and Development Foundation	Most Frequent Missing in Corporate Governance and Analysis of Relevant Regulations	2020/10/13	2020/10/13	3
Taiwan Stock Exchange Corporation and Taipei Exchange	Year 2020 Seminar for Directors and Supervisors Regarding Corporate Governance and Corporate Integrity	2020/10/23	2020/10/23	3
Total training hours				30

3.4.3.2 Continuing education/training of directors

Title	Name	Date of training	Name of the training session	Hours of training
Chairman	Yancey Hai	2020/04/29	Corporate Strategy	3.0
		2020/05/06	Analysis of Financial Situation in Response to Stressful Events-Taking the US-China Trade War and Coronavirus as an Example	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Vice-Chairman	Mark Ko	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Director	Bruce CH Cheng	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Director	Ping Cheng	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Director	Simon Chang	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Director	Albert Chang	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Director	Victor Cheng	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Independent Director	George Chao	2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
		2020/10/14	【Audit Committee Series】 Establishment and Operation of Audit Committee	3.0
Independent Director	Yung-Chin Chen	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Independent Director	Tsong-Pyng Perng	2020/04/29	Corporate Strategy	3.0
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
Independent Director	Ji-Ren Lee	2020/03/18	Corporate Sustainability	1.5
		2020/04/29	Corporate Strategy	3.0
		2020/05/06	Hostile Takeover and Corporate Governance	1.5
		2020/07/29	Opportunities and Challenges of 5G in the aspect of the Development of Telecommunications	3.0
		2020/08/05	New Order of America-Impact and Response to the Investment and Export Control Regulations	1.5
		2020/11/04	Corporate Sustainability and ESG Development Trend	1.5

3.4.3.3 Continuing education/training of management

Chairman Yancey Hai, Vice-Chairman Mark Ko, Directors Ping Cheng and Simon Chang are the managers of the Company. The training courses that the managers participated for the better management of the Company are disclosed in the table listed above, titled “Continuing education/training of directors”.

The training sessions attended by the Finance and Accounting Manager are listed below:

Title	Name	Date of training	Name of the training session	Hours of training
Corporate CFO	Judy Wang	2020/08/21	Case Analysis of "Illegal Security Trading of Surrogate QFIIs Accounts" and Study of Legal Responsibility	3.0
		2020/09/09	Practical Analysis of Corporate Reading and Analyzing "Appraisal Report"	3.0
		2020/10/06	Strengthening the Self Preparation Ability of Financial Report : Internal Control, Internal Audit and Information Technology	3.0
		2020/10/07	Key Amendments of Relevant Regulations and Common Mistakes for the Preparation of IFRS Financial Report	3.0

The training sessions attended by the Chief Internal Auditor are listed below:

Title	Name	Date of training	Name of the training session	Hours of training
Chief Internal Auditor	Louis Lin	2020/09/25	Practical Operation and Analysis of the Latest Enforcement Letters After the Implementation of Company Law	6
		2020/09/29	Auditing Practical Study of Corporate Cost and Value Creation	6

3.4.3.4 The implementation status of risk management policy and risk assessment

The Company always adopts preventive measures for enterprise risk management in the aspects of building rigid internal control system with internal audit regularly or irregularly and there are various functional committees and crisis management teams to conduct with risk management. The Board of Directors of the Company approved the establishment of the Delta Group Risk Management Policy on July 29, 2020. Regarding the implementation status, please refer to the chapter 8.6, the section on risks during the most recent fiscal year and as they stood on the date of publication of the annual report.

3.4.3.5 The implementation status of consumer protection or customer policy

Per a policy of Customer First, it is implemented according to Consumer Protection Act and internal rules.

3.4.3.6 Insurance purchased for directors and supervisors of the Company

Starting January 1, 2005, the Company has been providing all directors and supervisors with liability insurance. The summary of the insurance policies purchased in 2020 are listed below:

Insured Individuals	Insurance Company	Insured amount	Insured Period
Directors, Supervisors and Officers	(1) Chubb Insurance Company of North America, Taiwan Branch (2) Fubon Insurance Co., Ltd., (3) Shinkong Insurance Co., Ltd. (4) Mingtai Fire & Marine Insurance Co., Ltd	USD 20,000,000 (Equivalent to NTD 599,600,000)	From: July 1, 2019 To: December 31, 2020

3.4.3.7 Intellectual Property Management Plan

Delta Electronics is committed to the research and development of advanced technology, and the enhancement of product competitive advantage. To protect research and development outcomes and reduce operational risks, an intellectual property management system is implemented, which serves as the foundation for each of Delta's internal Units in its decision-making and execution of intellectual property related matters. To maintain Delta's brand value, Delta applies for trademark registrations with its brands and main commercial logos according to Delta's commercial requirements, so that these Delta brands can be well protected.

1. Patent protection policy

Delta's intellectual property management strategy mainly includes active protection of its own intellectual property and respecting the intellectual property of others. Delta actively consolidates resources from various internal Units, undertakes patent strategy planning, and strengthens patent portfolio to protect Delta's rights and interests. Delta encourages and rewards inventors to protect innovations in Delta's products and technologies, and to improve competitiveness.

2. Trademark protection policy

For Delta's main brand, Delta applies for trademark registration in various countries around the world in order to protect Delta's trademark rights. With market expansion or product line updates, Delta undertakes trademark portfolio review and applies for corresponding registration. Delta also carries out trademark monitoring and timely files opposition against confusingly similar third-party trademark applications to maintain the uniqueness and distinctiveness of Delta's trademark.

Implementation of Intellectual Property Management Plan

Delta Electronics has reported intellectual property related matters to the 14th meeting of the 18th session of the Board of Directors meeting (2020 October 28).

Since its establishment, Delta has attached great importance to the management of intellectual property. For decades, Delta's professional Legal and Intellectual Property team has served its Global Business/R&D team. In recent years, the main implementation activities are as follows:

In 2016, inclusion of a "Patent award" to the Delta Innovation Awards.

In 2017, upgrade of the Patent management system.

In 2017, update of the Patent management policy.

In 2018, establishment of the Trademark management system.

In 2019, registration of trademarks in the mainland China Customs IPR protection database.

In 2020, update of the Intellectual property reward policy.


In 2020, establishment of the Patent management system in North America.

The current list of Intellectual Property assets are as follows:

1. Patent:

As of the end of October 2020, Delta Electronics has applied for more than 17,000 patents worldwide, of which approximately 1,100 patents have been applied for in 2019. The accumulated total number of granted patents worldwide is more than 11,300.

2. Trademark:

As of the end of October 2020, Delta's main brand  trademark has been registered in 92 countries/regions around the world, including Taiwan, mainland China, the United States, the European Union, Japan, South Korea, India, Singapore and other major market places across five continents.

3.4.4 If the Company has a compensation committee in place, the composition, duties, and operation of the compensation committee shall be disclosed

The Board of Directors of the Company set up the Compensation Committee and Charter in accordance with "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter," and appointed the independent director Mr. George Chao as the convener and chairman of the meeting. The Charter states the Committee shall establish and review the performance assessment and policy, system, standards and structure relevant to compensation of directors and executive officers periodically and also evaluate the compensation of directors and executive officers periodically. The Committee shall faithfully perform its duties with the attention of a kind manager and submit the recommendations to the Board for discussion.

1. Information of Members of the Compensation Committee

Title (Note 1)	Name	Condition Does he have more than five years of work experience and the following professional qualifications?	Compliance with Independence (Note 2)										The number of compensation committees of other listed companies joined	Remarks		
			Lecturer of relevant departments regarding business, legal, finance, accounting or others required for business in public or private colleges and universities	Specialized professional or technical personnel with certificates of national examinations regarding judge, prosecutor, lawyer, accountant or others required for business	Work experience regarding legal, finance, accounting or others required for business	1	2	3	4	5	6	7			8	9
Independent Director	George Chao			V	V	V	V	V	V	V	V	V	V	V	0	None
Independent Director	Yung-Chin Chen	V	V	V	V	V	V	V	V	V	V	V	V	V	2	None
Independent Director	Tosng-Pyng Perng	V	V	V	V	V	V	V	V	V	V	V	V	V	0	None
Independent Director	Ji-Ren Lee	V		V	V	V	V	V	V	V	V	V	V	V	3	None

Note 1: Please fill in "Title" column with "Director," "Independent Director," or "Other."

Note 2: Compensation Committee members, during the two years before being elected or during the term of office, meet any of the following situations, please tick the appropriate corresponding boxes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Law.
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company. (do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent)
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the Company's chairman or CEO (or equivalent). (do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company. (do not apply if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company and independent directors are appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Other than serving as a compensation committee member of the Company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD\$500,000".
- (10) Not been a person of any conditions defined in Article 30 of the Company Law.

2. Information of Compensation Committee Operations

(1) The Company's 4th term Compensation Committee has 4 members.

(2) A total of 5 (A) meetings of the compensation committee were held in 2020 and 2021 till the date of publication of the annual report. Membership and attendance were as follows:

Title	Name	Personally Attended (B)	Attended by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	George Chao	5	0	100%	None
Member	Yung-Chin Chen	5	0	100%	None
Member	Tosng-Pyng Perng	4	1	80%	None
Member	Ji-Ren Lee	5	0	100%	None

3. Other mentionable items :

(1) Discussion Subjects and Resolutions of Compensation Committee

Date of Compensation Committee	Subject	Resolution
March 10, 2020 The 5th in the 4th term	The distribution of 2019 employees and directors of directors' compensation	Passed by all members unanimously
April 21, 2020 The 6th in the 4 th term	Discussion: 1.Proposal for 2020 managers' compensation 2.Proposal for the percentage of distribution as 2020 employees' compensation 3.Long-term incentive plan for key positions Report: 1.Salary competitiveness analysis 2.2019 Compensation Committee performance evaluation report	Passed by all members unanimously Passed by all members unanimously Passed by all members unanimously to put into trial implementation for 3 years and report to the Board for discussion
October 28, 2020 The 7th in the 4th term	1.Proposal for 2020 directors' compensation	Passed by all members unanimously (The compensation of independent directors is resolved separately. In accordance with regulations and internal audit requirements, independent directors who are interested parties do not participate in discussion or voting on respective independent directors' compensation.)
February 24, 2021 The 8th in the 4th term	1.The distribution of 2020 employees and directors of directors' compensation	Passed by all members unanimously
April 12, 2021 The 9th in the 4th term	1.Proposal for 2021 managers' compensation 2.Proposal for the percentage of distribution as 2021 employees' compensation	It is recommended to re-examine a case, and members unanimously approved the rest of cases. On April 22, 2021, supplementary information was provided by email to explain to the Compensation Committee that the original proposal was maintained. The Compensation Committee raised no objections. The compensation proposal for all managers was unanimously approved by the Board of Directors on April 28, 2021. Passed by all members unanimously

(2) The Company's board of directors of the latest year adopted all the recommendations of Compensation Committee.

(3) The Company's Compensation Committee of the latest year did not have any adverse or qualified opinions that were recorded or written towards the resolutions.

3.4.5 Fulfillment of CSR and deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Items	Implementation Status *1			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", and the Reason(s)
	Yes	No	Abstract Illustration *2	
1. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? *3	√		Delta ESG Committee, pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES), defined stakeholders based on local and international trends in sustainable development as well as the needs of business operations. Delta adopts diverse channels to communicate with stakeholders. We identify key issues of concern for stakeholders through materiality analysis and take the necessary countermeasures to enhance the content of our information disclosures. The Board of Directors has clearly defined four main "Corporate Social Responsibility Principles": implement corporate governance, develop a sustainable environment, maintain social welfare, and enhance information disclosure of corporate social responsibility programs. Environment: The Delta Group always strives to promote environmental protection and energy conservation based on its business mission of "To provide innovative, clean, and energy-efficient solutions for a better tomorrow". The Company's sustainability development office has identified possible risks and impacts of climate change on business operations, and developed adoption and mitigation strategies as well as an execution plan, which include Science Based Targets (SBTs) was approved, reducing greenhouse gas emissions, saving energy, conserving water, and reducing waste, with the help of all functional committees. Social: Delta values the balanced development of employees and is committed to providing a safe and healthy work environment. It identifies possible risks in daily operating activities of all departments and continuously enhances prevention mechanisms, such as engineering control and operation management. Delta conducts risk control by regularly identifying hazards and performing risk assessments to ensure safe operating procedures. In addition, the Company is committed to developing and manufacturing products that comply with international environmental protection regulations. It has established a product-related substance management system and management regulations. Delta also holds discussions with employees from different departments regarding material, quality, and purchasing, and regularly conducts evaluation of its supply chain management (environment, social, and governance) as well as ESG sustainability assessment to identify suppliers with high risk, while performing audits and providing guidance. Corporate governance: In 2020, the Board of Directors of the Company approved to establish "Delta Risk Management Policy" for risk management and execution. The Company has also established a company secretary to assist directors with regulatory compliance and more. Please refer to chapter 4 of this annual report for more details.	Compliance with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
2. Has the Company established an exclusively (or concurrently) designated unit to promote CSR, and has the Board of Directors authorized senior management to deal with and then to report to the Board pertaining to relevant execution?	√		<p>The Delta ESG Committee is the highest-level sustainability management unit within Delta. Since its establishment in 2007, it has been continuously transformed in response to sustainability trends. Delta created the position of Chief Sustainability Officer (CSO) in 2019 for the promotion and in-depth sustainable development of the Company. The implementation results are reported to the Board of Directors on a quarterly basis.</p> <p>The Delta ESG Committee has Mr. Bruce Cheng, founder and honorary chairman of Delta, serving as honorary chairman of the committee, while Delta Chairman Mr. Yancey Hai acts as the chairman. The committee is composed of board members, including the vice chairman, CEO and COO as well as CSO and top executives from regional and functional management. It has assisting and execution subordinate units, including various task forces and a Corporate Sustainability Development Office. In addition, the Delta Electronics Foundation is invited to attend the meetings.</p>	Compliance with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Items	Implementation Status *1		Abstract Illustration *2	Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", and the Reason(s)
	Yes	No		
3. Environmental issues				Compliance with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
(1) Has the Company established environmental management systems based on its industrial characteristics?	√		<p>The Company's main factories have the ISO14001 environmental management system and ISO14064-1 greenhouse gas emission certifications. There are several main factories that have the energy conservation system certifications listed below. The Company adopts these systems (i.e., energy conservation and carbon reduction, reduction of greenhouse gas emissions, water conservation and waste reduction) in its policy.</p> <p>Main factories which have environmental management system certifications:</p> <p>Dongguan factory ISO14001: 2015 (Issue date: July 13, 2020; expiry date: July 12, 2023)</p> <p>Taoyuan Plant 2 ISO14001: 2015 (Issue date: January 10, 2021; expiry date: January 10, 2024)</p> <p>Cyntec Hsinchu Plant ISO14001: 2015 (Issue date: June 21, 2020; expiry date: June 20, 2023)</p> <p>Main factories which have energy management system certifications:</p> <p>Cyntec Hsinchu Plant ISO 50001 (Issue date: December 28, 2020; expiry date: August 19, 2023)</p> <p>Dongguan Plant GB / T23331-2012 / ISO 50001: 2011 (Issue date: January 16, 2017; expiry date: January 15, 2020)</p> <p>Wujiang Plant GB / T23331-2012 / ISO 50001: 2011 (Issue date: October 23, 2019; expiry date: August 30, 2021)</p>	
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with low environmental impacts	√		<p>The Company continues to promote energy management and renewable energy applications as well as the recycling of electricity, heat, water, and packaging materials. It also improves the utilization efficiency of energy resources through energy conservation, water saving, and green design. At the same time, it adopts green packaging materials, including corrugated fiberboard/cardboard, carton, and wooden boxes, for transportation, and recycles and reuses waste packaging materials.</p>	
(3) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	√		<p>The Company reviews the risks and opportunities of climate change every year and evaluate it every three years in accordance with the TCFD framework announced by the Financial Stability Board. The Company completed the evaluation of climate risk in 2020 and highlights 22 major risks where 4 of them are focused on based on the degree of relevance with countermeasures taken. For reducing risks, the Company identifies the feasibilities of opportunities and management methods. Key results are summarized in Chapter IV "ESG" of this Annual Report and the Delta ESG Report.</p>	
(4) Has the Company calculated its GHG emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management?	√		<p>The Company has long upheld its mission of "To provide innovative, clean, and energy-efficient solutions for a better tomorrow." It continuously promotes energy conservation and carbon reduction within the enterprise, and improves the performance of energy and resource efficiency, waste reduction, and pollution prevention. Details are disclosed in the Delta ESG Report. Since 2010, Delta has participated in CDP to disclosure its GHG emissions. Since 2016, 100% of Delta's main production plants have achieved ISO 14064-1 verification.</p>	

Evaluation Items	Implementation Status *1			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", and the Reason(s)
	Yes	No	Abstract Illustration *2	
4. Social issues				
(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	√		<p>The Company complies with relevant labor laws and regulations. It formulates employee policies and relevant management rules based on international labor and human rights standards, including the RBA Code of Conduct, Universal Declaration of Human Rights, International Labor Office Tripartite Declaration of Principles, and OECD Guidelines for Multinational Enterprises; and practices systems, such as fair employment.</p> <p>Policies have been released in the corporate governance section of the Company's official website, and the management results are disclosed in the Delta Electronics ESG Report. and the modern slavery statement.</p>	Compliance with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
(2) Has the Company formulated and executed reasonable employee benefits measures (including remuneration, leaves, and other benefits), and had the operating performance or results properly reflected in employee compensation?	√		<p>The Company's compensation packages are above that of the technology industry and talent is retained through a competitive compensation structure. Special attention is paid to the design for the relevance and reasonableness between operating performance and employee salaries. As for leaves, the Company offers seven days of commemorative leave every year in addition to national holidays. There are also four days of paid travel leave as well as a travel subsidy of NT\$10,000 annually.</p>	
(3) Has the Company provided employees with a safe and healthy work environment as well as offered classes on safety and health to employees on a regular basis?	√		<p>The Company is committed to the health and well-being of employees. It integrates the concepts of health management and health promotion into its corporate core values and continuously provides employees with comprehensive care. The core values of workplace health center around the 4S level (Say, Stay, Strive, and Social). Key points of the program are modified and adjusted each year through the results of employee health checkups, demand surveys, and feedback and effectiveness analysis of past activities in order to integrate plans concerning health management, health promotion resources, and related measures. The theme of "Live Better, Work Smart" is adopted to promote work-life balance. Moreover, the Employee Assistance Program (EAP) has been launched to encourage employees to develop physical and mental balance through professional consulting services.</p>	
(4) Has the Company established effective career and competence development and training plans?	√		<p>The Company provides education and training to strengthen employee competence and improve human resources. Employees can thus accumulate capabilities to handle future market trends and environmental changes and enhance the core competitiveness of the organization. The Company also links training and development with performance management systems to help employees maximize their talents and uncover their potential. In addition, training and development programs required by talent are provided in line with the Delta's transition towards brand and solution businesses in order to satisfy the goals of individuals and the organization. Delta are committed to safeguarding the privacy of the personal information that we gather from our customers. We inform them of what information we collect from them.</p>	
(5) Does the Company comply with relevant regulations and international standards in terms of customer health and safety, customer privacy, and marketing and labeling of products and services and formulate relevant consumer protection policies and complaint procedures?	√		<p>All Company products are in compliance with international safety or environmental standards. Delta are committed to safeguarding the privacy of the personal information that we gather from our customers. We inform them of what information we collect from them. We also label relevant information, such as compliance on products or packaging in accordance with environmental regulations concerning products at shipment locations. In addition, we indicate information related to conformity with environmental marks or seals such as the US Energy Star or 80 PLUS on product labels in line with customers' requirements for green product marketing. Concurrently, the Company sets up points of contact and a customer service mailbox, as well as establishes product safety and warranty policies to protect the rights of customers and consumers.</p>	

Evaluation Items	Implementation Status *1			Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", and the Reason(s)
	Yes	No	Abstract Illustration *2	
(6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights, and the implementation results?	√		In response to the development of international supply chain management, customer requirements and local regulations, Delta combines years of ESG promotion experience to formulate its sustainable supply chain management rules. The supply chain is required to comply with local laws, supply chain ESG policy, and relevant codes of conduct (e.g., RBA Code of Conduct) in terms of labor and human rights, health and safety, environment, ethics, and management system. Also, pursuant to the due diligence principle, Delta's supply chain is required to comply with relevant regulations in order to build a sustainable supply chain management mechanism.	
5. Has the Company referred to the internationally accepted report preparation standards or guidelines for its preparation of CSR or other reports which disclose the Company's non-financial information? Has the aforementioned reports obtained a third-party assurance or verification statement?	√		Delta ESG Report has been verified and assured by a third party. The third-party verification statement and assurance report are expected to be received in June 30, 2021. (1) The Company contracted SGS Taiwan to the report in accordance with the core options of GRI Standards and high-level assurance of AA1000 Type II. In addition, Delta was assured based on SASB standards by SGS Taiwan for the first time. (2) The Company contracted PwC Taiwan to conduct a limited assurance engagement on specific key performance information in accordance with ISAE3000.	Compliance with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
6. Where the Company has stipulated its own CSR principles according to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe actual activities taken by the Company and deviations from the prescribed best practices: The Company has established the "Delta Corporate Social Responsibility Best Practice Principles," which is implemented in day-to-day operations in terms of corporate governance, sustainable environment, social welfare, and ESG information disclosure. For corporate governance, please see Chapter III "Corporate Governance Report" of this Annual Report. As for sustainable environment, social welfare, and ESG information disclosure, please see Chapter IV "ESG" of this Annual Report..				
7. Other material information that can help to understand how CSR is carried out in the Company: Please see Chapter IV "ESG" of this Annual Report for further explanation..				

Note 1: If "Yes" is checked under the State of Operation, please state the important policies, strategies, and measures adopted and the implementation status. If "No" is checked, please explain the reasons and state the plans for adopting relevant policies, strategies, and measures in the future:

Note 2: Companies with ESG reports may specify the ways to access the reports and the page numbers of the cited content instead under the Summary. Please refer to 2020 Delta ESG Report_7.4 Index of GRI standards Indicators and SASB Index.

Note 3: The materiality principle refers to environmental, social, and corporate governance issues which have significant influence on the Company's investors and other stakeholders.

3.4.6 Fulfillment of ethical corporate management and deviation from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Items	Implementation Status (Note)			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reason(s)
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company have a Board approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policies?</p> <p>(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scopes of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”</p> <p>(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?</p>	√	√	<p>In order to improve its sound development, Delta has established an “Ethical Corporate Management Best Practice Principles” which combines the business philosophy of honesty, transparency and responsibility rooted in integrity. Based on these principles, the Company has passed the Board of Directors’ resolution to set up a good operation mode with clear establishment of integrity policies and practices, create a corporate culture through integrity management and require members including the Board of Directors and top management to reliably implement policies. The principles are detailed in the Corporate Governance section under Investors on the Company’s website.</p> <p>The Company has set up risk assessment mechanisms for unethical behavior.</p> <ul style="list-style-type: none"> • It specifies anti-bribery and anti-corruption practices and the avoidance of engaging in unfair competition in Article 8 of “Delta Corporate Social Responsibility Best Practice Principles”. • In the “Delta Group Code of Conduct”, it prohibits offering or accepting bribes, making illegal political donations, providing or receiving any kickbacks, infringing intellectual property rights, having unethical relationship with a third party, violating the Fair Trade Act and disclosing vital internal information without the consent of the Company. Also, charitable donations and sponsorships should follow the “Management Procedures for Handling Charitable Donations or Sponsorships”. • The Company adopts various types of propaganda, holds physical courses on risk assessment and case analysis of honest management, and produces online courses for training to enhance the implementation of integrity management policies. • The Company sets up risk assessment mechanisms for unethical behavior, formulates a risk assessment and prevention plan for honest management, regularly analyzes and evaluates business activities with higher risk of dishonest conduct within the scope of business, establishes a risk control mechanism, analyzes business activities with higher risk of unethical behavior within the scope of business, and strengthens relevant preventive measures. • This year, the Company promotes internal self-assessment of internal control and asked business and functional units to fill out 33 risk assessment forms (100% completion rate), and implemented various control measures, and updated the self-assessment documents every year based on relevant internal and external audits. <p>The Company has stated operation procedures, behavioral guidelines, punishment for violation, and complaint system in the prevent plan for unethical behavior.</p> <ul style="list-style-type: none"> • “Delta Group Code of Conduct” to set the standard operating procedures and behavioral guidelines for all stakeholders of the Company, as a commitment to implementing its integrity management policy. • “Policy of whistle blowing system” for employees and relevant whistleblowers to report any illegal or violation of code of conduct or integrity management behaviors to assure the legal rights of the whistleblowers and relevant persons. • “Policy of rewards and punishments” state the punishments for violating the corporate integrity management. • In order to implement the code of conduct to avoid conflict of interest, each new employee is required to make a conflict of interest declaration upon arrival at work, and existing employees are reminded to make the declaration in the annual announcement. 404 employees completed the declaration voluntarily this year (397 employees declared their internal relationships with friends and relatives, and 7 employees reported their own or their relatives’ participation in the Company’s business transactions). • Policies mentioned above can be found in the Human Resources section of the Company’s internal website or the Corporate Governance section under Investors of the Company website. 	<p>Compliance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation Items	Implementation Status (Note)		Abstract Illustration	Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reason(s)
	Yes	No		
2. Fulfill operations Integrity Policy				
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	√		<p>The Company has implemented integrity record assessment of the business partners.</p> <ul style="list-style-type: none"> According to the “Delta Group Code of Conduct”, before establishing business relationships with others, the Company shall evaluate the legitimacy, integrity, and operational policy of the agents, suppliers, customers or other business entities, and whether there are any records of dishonesty, to ensure that the business operations of such entities promote integrity as well as transparency, and will not demand, offer or receive bribes. Set up “Policy of Delta sustainable supply chains” to ensure the supply chains of the Company (and its affiliates) comply with the local regulations requirements, Supply Chain ESG Policy and related Code of Conduct (such as Code of Conduct for Responsible Business Alliance) in labor human rights, health and safety, environmental, ethical and management system, and perform due diligence to request the supply chains of the Company to comply with related regulations and construct a sustainable supply chain management mechanism. Suppliers have to sign the “Delta Supplier Sustainability Commitment” and complete the “Delta’s supply chain ESG risk control audit evaluation chart”. 	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	√		In order to have a complete understanding of ethical management, the Human Resources Department and Legal and Intellectual Property Department have been tasked to develop the ethical management policy, which is supervised by the Audit Department. The Human Resources Department will promote and report the supervision and implementation status of the ethical management policy and unethical behavior prevention plan to the Board of Directors once a year. The Human Resources Department reported the 2020 implementation of ethical corporate management to the Board of Directors on February 24, 2021.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	√		<p>“Delta Group Code of Conduct” with relevant provisions specified in Article 15 of the “Rules and Procedures of the Meeting of the Board of Directors” and Article 31 of the “Corporate Governance Best Practice Principles” state the regulations of directors' conflicts of interest. As to the relationship between the Company and its affiliates in terms of corporate governance, the improper channeling of profits between the Company's stakeholders and shareholders is strictly prohibited based on the principles of fairness and reasonableness. The rules are clearly stated in the “Corporate Governance Best Practice Principles”</p> <p>In terms of related transactions between parties as well as insider trading and the mechanisms for handling and disclosure of major internal information, there are regulations pertaining to “Internal control procedures for related party transactions”, “Control procedures for preventing insider trading”, and “Procedures for handling material inside information” that have been set up. The Company has also established internal control operation systems and provided appropriate channels for directors, managers and employees to proactively explain any potential conflicts of interest with the Company.</p>	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	√		<ul style="list-style-type: none"> The financial statements of the Company are prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and interpretations approved by the Financial Supervisory Commission. The design and execution of internal control is assessed based on the “Regulations Governing Establishment of Internal Control System by Public Companies” with self-monitoring mechanism. The Company's Audit Department will be taking necessary assessment based on the materiality risk assessment of unethical behavior results. For example: make related audit plans which include audit objects, scope, items, frequency, etc., and verify compliance with the prevention plan. Accountants or other professionals will be appointed to conduct audits if necessary. Relevant results will be reported to top management and the responsible unit for integrity, and an audit report will be furnished to the Board of Directors. 	

Evaluation Items	Implementation Status (Note)			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	√		<p>The Company's Human Resources Department will arrange relevant training to implement integrity:</p> <ul style="list-style-type: none"> • E-learning materials on the "Delta Group Code of Conduct" (including integrity-related affairs) will be provided to newcomers during their induction. <ul style="list-style-type: none"> ■ Avoiding conflict of interest ■ Receiving gifts and entertainment ■ Business integrity ■ Business activities with integrity ■ Political donations, political participation, and charitable donations ■ Insider trading; Procedures for handling material inside information ■ Fair competition ■ Trade secret, intellectual property rights and confidential information ■ Respect for personal privacy ■ Diversity, equal opportunity for employment and respect ■ Anti-discrimination and harassment ■ Safe and health workplace ■ Usage company resources ■ Compliance with environmental protection policies ■ Educational training, propagation, disciplinary procedures and communication channel • An annual retraining is also conducted for full implementation for all employees. The Company also organizes internal and external courses on ethical management for senior executives from time to time to establish and promote the concept of ethical management among the staff. • The quarterly performance appraisal of Delta values ability and includes the aspect of integrity in the assessment. • In 2020, the number of participants of Code of Conduct courses were 9,177, of which the completion rate reached 95.7%. The number of participants of other integrity operation courses held physically or on-line reached 4,452. 	
<p>3. Operation of the integrity channel</p> <p>(1) Does the Company establish both a reward/punishment systems and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p>	√	√	<p>The "Delta Group Code of Conduct" and "policy of whistleblowing system" state and set up a reporting channel for employees, suppliers, and other external stakeholders. Managed by designated personnel, the reporting system is for disclosing matters or violations against human rights, behavior principles, or ethical management. In addition to reporting to the head of the unit in which the member belongs to, as well as to the head of the Audit Department, head of the Human Resources Department or head of the Legal and Intellectual Property Department, a report can also be sent through the Company's local email address. If the matter reported is found true and highly beneficial to economic performance, the informer will be rewarded appropriately</p> <p>Reporting via email for employees and other stakeholders: HR.GRIEVANCE@deltaww.com</p> <p>Reporting via email for suppliers: 885@deltaww.com</p> <p>"Policy of whistle blowing system" states the procedures as follows</p> <ul style="list-style-type: none"> • An informer or deputy may report in writing or verbally, specific information about behavior related matters against human rights, behavior principles or ethical management. Delta members may choose to remain anonymous when reporting a violation of another member. However, the Company encourages Delta members to provide their identity when making a report to facilitate communication and investigation. • Reporting a case should be concluded within a month and extended for a month when necessary. A "reply for reporting form" shall be sent to the informer if he/she did not provide contact information or did not respond when contacted. If the informer is not satisfied with the result, he/she can fill out a "reporting a case record" to provide new reasons and specific evidence within 10 days of receiving the reply. The CEO will assign an appropriate unit different from the previous one to handle the reopening of the case. Reporting a case can only be carried out once. 	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Items	Implementation Status (Note)			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reason(s)
	Yes	No	Abstract Illustration	
(3) Does the Company provide proper whistleblower protection?	√		The “Code of Conduct” and reporting mechanism state the informer may choose to remain anonymous and which enjoins the unit handling the case to keep it confidential and to only disclose the information to certain personnel. A reasonable preventive and protective measure will be applied to protect the informer from revenge or mistreatment.	
4. Strengthening information disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	√		The “Ethical Corporate Management Best Practice Principles”, “Code of Conduct” and “Corporate Social Responsibility Best Practice Principles” are disclosed on the Company’s internal and external websites in the Corporate Governance section under Investors. In addition, relevant and reliable information on ethical management is also disclosed in the annual report and Delta ESG Report.	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

5. If the Company has established its ethical corporate management policies in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and their implementation:

Compliance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

6. Other important information to facilitate a better understanding of the Company’s ethical corporate management practices: (i.e., the status of the Company’s efforts to review and amend the ethical corporate management practices): None

3.4.7 If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched

Please refer to the webpage of “Corporate Governance” on the Company’s website (www.deltaww.com) for corporate governance best practice principles, major resolutions of the Board of Directors and material information, etc.

3.4.8 Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance

1. The Company continues to invest resources to strengthen corporate governance initially, the board members were all management team of the Company; gradually, external talents are introduced. Currently, it includes four independent directors and two non-executive directors. All independent directors constitute an Audit Committee and a Compensation Committee.
2. On internal and external websites of the Company, there is also a dedicated section for the implementation of corporate governance, and there are also rules and regulations related to corporate governance for download and references for both insiders and outsiders.
3. In addition, the Company also promptly discloses material information to the public and hold investor meetings periodically. Delta was recognized by the U.S. Environmental Protection Agency (EPA) as an ENERGY STAR® Partner of the Year for a fifth consecutive year in 2020 and received the Sustained Excellence Award for three consecutive years. In 2020, Delta was selected to the Dow Jones Sustainability Indices (DJSI) World Index for the tenth consecutive year and was distinguished from other benchmark companies by being honored as an Industry Leader for the fifth time. In addition, Delta received the top “A” leadership award in the 2020 CDP’s “climate change” and “water security” ratings, making it one of the first companies in Taiwan to receive a double “A”. It is worth mentioning that Delta was selected as the best international brand in Taiwan for the tenth consecutive year in 2020, and its brand value has grown for eight consecutive years, reaching US\$331 million, an 11% increase from 2019.

3.4.9 Internal control system execution status

3.4.9.1 Statement on Internal Control

Delta Electronics, Inc.
Internal Control System Statement

Date: February 24, 2021

Based on the findings of a self-assessment, Delta Electronics, Inc. states the following in regards to its internal control system during the year 2020:

1. The Company is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and the managers of the Company. The Company has established the system for the purpose of guaranteeing the reliability, timeliness and transparency report of the effectiveness and efficiency of the operation (including profitability, performance, asset security, etc.) and ensuring all are in compliance with relevant laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three aforementioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2020, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance on our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations
6. This Statement is an integral part of the Company's annual report for the current period and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the Board of Directors in their meeting held on February 24, 2021, with all eleven attending directors affirming the content of this Statement.

Delta Electronics, Inc.



Chairman: Yancey Hai



President: Simon Chang



3.4.9.2 If CPAs are engaged to review the internal control system, their report shall be disclosed: None.

3.4.10 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company or its internal personnel, as well as sanctions imposed by the Company upon its internal personnel for violations of internal control system provisions, and the result of such sanctions that may have caused significant impact on shareholders' equity or securities prices, sanction content, and principal deficiencies, then specify any corrective actions taken

It did not occur any sanctions imposed in accordance with the law upon the Company and the result of such sanctions that may have caused significant impact on shareholders' equity or securities prices in 2020 and as of the date of publication of the annual report.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings for the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
March 10, 2020 The 10th in the 18th term	1. To approve 2020 corporate business plan	The Board unanimously approved this motion.
	2. To approve 2019 annual final accounting books and statements	The Board unanimously approved this motion.
	3. To distribute 2019 earnings	The Board unanimously approved this motion.
	4. To approve the re-domiciliation of Delta International Holding Limited	The Board unanimously approved this motion.
	5. To distribute 2019 employees' and directors' compensation	The Board unanimously approved this motion.
	6. To approve the Amendments to the Ethical Corporate Management Best Practice Principles	The Board unanimously approved this motion.
	7. To approve the efficiency of the 2019 internal control system	The Board unanimously approved this motion.
	8. To approve 2019 Internal Control System Statement	The Board unanimously approved this motion.
	9. To evaluate the independence of the appointed external auditors	The Board unanimously approved this motion.
	10. To approve the Amendments to the Shareholders' Meeting Rules and Procedures	The Board unanimously approved this motion.
	11. To approve the Amendments to the Rules and Procedures of the Meeting of Board of Directors	The Board unanimously approved this motion.
	12. To approve the Amendments to the Audit Committee Charter	The Board unanimously approved this motion.
	13. To convene the 2020 annual general shareholders' meeting	The Board unanimously approved this motion.
April 29, 2020 The 11th in the 18th term	1. To discuss the 2020 managers' compensation	Based on Article 206 of the Company Act, except for the directors, Mr. Yancey Hai, Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang who shall not participate in voting on managers' compensation and Mr. Victor Cheng who temporarily left the meeting, the rest of directors unanimously approved this motion.
	2. To discuss the percentage of distribution as 2020 compensation employees	The Board unanimously approved this motion.
	3. To approve long-term incentive plan for key positions	The Board unanimously approved this motion according to the suggested revisions by Mr. Ji-Ren Lee and Mr. Ping Cheng.
	4. To remove non-competition restrictions on manager officers	The Board unanimously approved this motion.
	5. To convene the 2020 annual general shareholders' meeting (Change of the meeting location)	The Board unanimously approved this motion.
May 29, 2020 The 12th in the 18th term	1. To approve that Delta Electronics (Netherlands) B.V. proposed an acquisition of 100% shareholdings in Trihedral Engineering Limited	The Board unanimously approved this motion.

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
July 29, 2020 The 13th in the 18th term	1. To approve the establishment of the Delta Group Risk Management Policy	Mr. Victor Cheng left temporarily and the rest of directors unanimously approved this motion according to the suggested revisions by the Audit Committee.
	2. To approve the amendments to the Management of the Procedures for Preparation of Financial Statements	Mr. Victor Cheng left temporarily and the rest of directors unanimously approved this motion.
	3. To approve the amendments to the Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter and Rules and Procedures of the Meeting of Board of Directors	Mr. Victor Cheng left temporarily and the rest of directors unanimously approved this motion.
October 28, 2020 The 14th in the 18th term	1. To approve a merger with its 100% owned subsidiary, UNICOM SYSTEM ENG. CORP	The Board unanimously approved this motion.
	2. To approve the Company's 2021 internal audit plan	The Board unanimously approved this motion.
	3. To approve recommendations on 2020 directors' compensation	Except for the directors who are the interested party and shall not participate in discussion or voting on respective directors' compensation agenda item, the rest of directors unanimously approved this motion.
	4. To approve the amendments to the Personal Information Protection Policy	The Board approved this motion according to the suggested revisions by Mr. Tsong-Pyng, Perng.
	5. To approve the change of branch manager	Based on Section 2, Article 206 of the Company Act, except for the director, Mr. Simon Chang who shall not participate in voting on the change of branch manager, the rest of directors unanimously approved this motion.
	6. To approve the change of the Company's manager	The Board unanimously approved this motion.
December 22, 2020 The 15th in the 18th term	1. To approve the change in Taichung branch address	The Board unanimously approved this motion.
February 24, 2021 The 16th in the 18th term	1. To approve 2021 corporate business plan	The Board unanimously approved this motion.
	2. To approve 2020 annual final accounting books and statements	The Board unanimously approved this motion.
	3. To distribute 2020 earnings	The Board unanimously approved this motion.
	4. To distribute 2020 employees' and directors' compensation	The Board unanimously approved this motion.
	5. To evaluate the independence of the appointed external auditors	The Board unanimously approved this motion.
	6. To approve the efficiency of the 2020 internal control system	The Board unanimously approved this motion.
	7. To approve 2020 Internal Control System Statement	The Board unanimously approved this motion.
	8. To elect directors	The Board unanimously approved this motion.
	9. To convene the 2021 Annual General Shareholders' Meeting	The Board unanimously approved this motion.
April 28, 2021 The 17th in the 18th term	1. To discuss the 2021 managers' compensation	Based on Article 206 of the Company Act, except for the directors, Mr. Yancey Hai, Mr. Mark Ko, Mr. Ping Cheng and Mr. Simon Chang who shall not participate in voting on managers' compensation and Mr. Victor Cheng who temporarily left the meeting, the rest of directors unanimously approved this motion.
	2. To discuss the percentage of distribution as 2021 compensation employees	The Board unanimously approved this motion.
	3. To review the qualification of the nominated directors (including independent directors)	The Board unanimously approved this motion.
	4. To propose the removal of non-competition restrictions on directors in general shareholders' meeting.	The Board unanimously approved this motion.
	5. To convene the 2021 Annual General Shareholders' Meeting (Change of the meeting location)	The Board unanimously approved this motion.

Major resolutions of Shareholders' Meetings		
Date of Shareholders' Meetings	Proposal	Resolutions
June 10, 2020 Annual General Shareholders' Meeting	1. Adoption of the 2019 Annual Final Accounting Books and Statements	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,335,998,801 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,107,467,915, among which 1,383,680,071 was exercised by electronic transmission, the number of voting rights for rejection is 465,809, the number of invalid votes is 0, the number of voting rights for abstention is 228,065,077, and 90.21% of the total voting rights voted for approval when votes were cast)
	2. Adoption of the 2019 Earnings Distribution	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,335,998,801 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,110,471,698, among which 1,386,686,854 was exercised by electronic transmission, the number of voting rights for rejection is 55,070, the number of invalid votes is 0, the number of voting rights for abstention is 225,472,033, and 90.34% of the total voting rights voted for approval when votes were cast).
	3. Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,335,998,801 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,091,468,629, among which 1,367,683,785 was exercised by electronic transmission, the number of voting rights for rejection is 55,643, the number of invalid votes is 0, the number of voting rights for abstention is 244,474,529, and 89.53% of the total voting rights voted for approval when votes were cast).
	4. Discussion of the Release from Non-competition Restrictions on Directors	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,335,998,801 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,886,744,908, among which 1,162,960,064 was exercised by electronic transmission, the number of voting rights for rejection is 607,263, the number of invalid votes is 0, the number of voting rights for abstention is 448,646,630, and 80.76% of the total voting rights voted for approval when votes were cast).

Resolutions in 2020 Annual General Shareholders' Meeting:

1. Adoption of the 2019 Annual Final Accounting Books and Statements

Resolution: Approved.

2. Adoption of the 2019 Earnings Distribution

Resolution: Approved. The cash dividends for the 2019 earnings distribution is NT\$12,987,716,645 to be distributed to shareholders. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of approximately NT\$5 per share will be distributed. The Board of Director authorized the Chairman to set the book closure ending date on 2020/07/08 and the cash dividend distribution date on 2020/07/29.

3. Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures

Resolution: Approved and disclosed on the Company website and Market Observation Post System (MOPS) as well as implemented per the shareholders' amended procedures.

4. Discussion of the Release from Non-competition Restrictions on Directors

Resolution: Approved the removal of non-competition restrictions on Mr. Mark Ko acting as a director in Delta Electronics (Thailand) Public Company Limited and Mr. Ping Cheng acting as directors in Delta Electronics (Thailand) Public Company Limited, Boom Treasure Limited and Drake Investment (HK) Limited.

3.4.12 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

3.4.13 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, company secretary and principal research and development officer: None.

▶ 3.5 Information on CPA professional fees

Professional fees of certified public accountants by fee range

Name of CPA firm	Name of CPA		Period covered by CPA's audit	Comment
PricewaterhouseCoopers	Lin, Yu-Kuan	Chou, Chien-Hung	January 1, 2020 to December 31, 2020	None

Unit: Thousand New Taiwanese Dollars

Bracket	Item	Audit fees	Non-audit fees	Total
1	Less than 2,000,000	-	-	-
2	Between 2,000,000 (inclusive) to 4,000,000	-	-	-
3	Between 4,000,000 (inclusive) to 6,000,000	-	-	-
4	Between 6,000,000 (inclusive) to 8,000,000	-	-	-
5	Between 8,000,000 (inclusive) to 10,000,000	-	-	-
6	More than 10,000,000 (inclusive)	12,720	6,562	19,282

3.5.1 When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed

Unit: Thousand New Taiwanese Dollars

Name of CPA firm	Name of CPA		Audit fees	Non-audit fees					Period covered by CPA's audits	Comments
				System design	Company registration	Human resources	Others (Note 2)	Subtotal		
Pricewaterhouse Coopers	Lin, Yu-Kuan	Chou, Chien-Hung	12,720 (Note 1)	-	190	-	6,372	6,562	January 1, 2020 to December 31, 2020	Other non-audit fees include consultations on taxes and compliance audit, corporate social responsibility report consultations, report on transfer pricing, master file and country-by-country report services, etc.

Note 1: Including the fees for the review financial of statements invested companies.

Note 2: Non-audit fees are listed in categories, if the "others" section exceeds 25% of the total non-audit fees, detailed note should be given in regards of the services provided.

3.5.2 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None

3.5.3 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None

▶ **3.6 Information on replacement of certified public accountant : None.**

▶ **3.7 Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held : None.**

► **3.8 Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report**

3.8.1 Change in Shareholdings Holding by Directors, Management and Shareholders with 10% Shareholdings or More

Title	Name	2020		Current fiscal year up to April 13, 2021	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (decrease) (Note1)	Pledged holding increase (decrease)
Chairman/Chairman in Strategic Steering Committee	Yancey Hai	0	0	0	0
Vice-Chairman/Vice-Chairman in Strategic Steering Committee	Mark Ko	(30,000)	0	0	0
Director/Honorary Chairman	Bruce CH Cheng	0	0	0	0
Director/CEO	Ping Cheng	550,000	0	0	0
Director/President, COO and Branch Manager	Simon Chang	0	0	0	0
Director	Albert Chang	(95,000)	0	(4,000)	0
Director	Victor Cheng	150,000	0	0	0
Independent Director	George Chao	0	0	0	0
Independent Director	Yung-Chin Chen	0	0	0	0
Independent Director	Tsong-Pyng Perng	0	0	0	0
Independent Director	Ji-Ren Lee	0	0	0	0
Vice-President (Note 2)	Steven Liu	0	0	0	0
Corporate CFO	Judy Wang	(30,000)	0	0	0
Branch Manager (Note 3)	Charles Tsai	0	0	0	0
Company Secretary	Shalin Chen	(1,000)	0	0	0
Shareholder holding more than ten percent of the total shares	DEICO INTERNATIONAL LTD.	0	0	0	0

Note 1: No. of shares held increase (decrease) as of the book closure date for the 2021 AGM.

Note 2: Due to position adjustment of the Company, the position of Mr. Steven Liu as Vice President has been removed since October 28, 2020. The information of shareholdings held by Mr. Steven Liu is disclosed as of the removal date.

Note 3: Due to organization restructure of the Company, the position of Mr. Charles Tsai as a manager of Tainan branch has been removed since October 28, 2020. The position has been taken over by Mr. Simon Chang. The information of shareholdings held by Mr. Charles Tsai is disclosed as of the removal date.

3.8.2 Stock transfers to related parties: None

3.8.3 Pledge of stock rights to related parties: None

► 3.9 Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 13, 2021

Name (Note 1)	Shareholding Current		Spouse's / minor's shareholding (Note 2)		Shareholding by nominee arrangement (Note 2)		Specify the names and relations of the top-10 shareholders who are related-parties or spouse or kindred within the 2nd degree of kinship (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relation	
DEICO INTERNATIONAL LTD. Representative: Jiao Fan	267,556,280 0	10.30%	0	0	0	0	None	None	None
DELTRON HOLDING LTD. Representative: Syue-Huei Ye	218,211,168 0	8.40%	0	0	0	0	None	None	None
Chung-Hua Cheng (Also known as Bruce CH Cheng)	81,878,039	3.15%	24,097,633	0.93%	0	0	Ping Cheng, Victor Cheng	father and sons	None
Government of Singapore	72,302,338	2.78%	0	0	0	0	None	None	None
New Labor Retirement Pension Fund	71,385,438	2.75%	0	0	0	0	None	None	None
Ping Cheng	55,640,093	2.14%	0	0	0	0	Bruce CH Cheng, Victor Cheng	father and son, brothers	None
An Cheng (Also known as Victor Cheng)	50,344,764	1.94%	1,023,482	0.04%	0	0	Bruce CH Cheng, Ping Cheng	father and son, brothers	None
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital World Growth and Income Fund	37,972,717	1.46%	0	0	0	0	None	None	None
Cathay Life Insurance Company, Ltd.	37,717,954	1.45%	0	0	0	0	None	None	None
Labor Insurance Fund	37,521,858	1.44%	0	0	0	0	None	None	None

Note 1: Top ten shareholders are listed and the names along with the names of their representatives are also listed for institutional shareholders.

Note 2: The shareholding ratio should be calculated based on all the shares under one's name, spouse, minor children or those purchased under the name of others on his/her behalf.

Note 3: The relationship between all shareholders listed, including juridical and natural persons is disclosed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

► **3.10 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and managers, and any companies controlled either directly or indirectly by the Company**

December 31, 2020; Unit: shares 、%

Affiliated Company (Note1)	Shareholding by the Company		Shareholding of directors, supervisors, managers or enterprises under their direct or indirect control		Total Shareholding	
	Shares	%	Shares	%	Shares	%
Delta Networks Holding Limited	83,800,000	100.00%	0	0.00%	83,800,000	100.00%
Delta Electronics (Netherlands) B.V.	128,492,272	100.00%	0	0.00%	128,492,272	100.00%
Cyntec Co., Ltd.	2,341,204,333	100.00%	0	0.00%	2,341,204,333	100.00%
DelBio Inc.	21,761,836	100.00%	0	0.00%	21,761,836	100.00%
Delta Electronics Capital Company	350,000,000	100.00%	0	0.00%	350,000,000	100.00%
Delta Electronics Int'l (Singapore) Pte. Ltd.	45,234,240	100.00%	0	0.00%	45,234,240	100.00%
Allied Material Technology Corp.	211,400,909	99.97%	0	0.00%	211,400,909	99.97%
Delta International Holding Limited	67,680,000	100.00%	0	0.00%	67,680,000	100.00%
Delta Electronics (Thailand) Public Company Limited	69,128,140	5.54%	726,654,336	58.24%	795,782,476	63.78%
Delta America Ltd.	2,100,000	10.26%	18,374,182	89.74%	20,474,182	100.00%
PreOptix (Hong Kong) Co., Ltd. (Note2)	0	39.62%	0	60.38%	0	100.00%
Vivotek Inc.	45,782,058	52.65%	0	0.00%	45,782,058	52.65%

Note1: Long-term Investment accounted based on equity-method.

Note2: the liquidation procedure has not been completed until December 31, 2020.

4. ESG








Delta places the utmost emphasis on corporate sustainability, making sure its sustainable development strategies are in line with its business as it continues to expand. Using energy conservation as the core, Delta's ESG encompasses sound corporate governance, balanced interests for stakeholders, environmental issues, employee care, and social involvement. Delta has set up a ESG committee (the "ESG Committee"), with Mr. Bruce Cheng, founder and honorary chairman of Delta, serving as the honorary chairman of the ESG Committee, and Chairman Yancey Hai acting as the ESG Committee chairman. The ESG Committee is composed of board members including the vice chairman, CEO and COO, Chief Sustainability Officer (CSO), as well as top executives from regional and functional management. The ESG Committee meetings are held on a quarterly basis. ESG strategies incorporate the Company's core capabilities, fully implement the corporate mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow", and enhance Delta's sustainable operating capability. Delta has formally established the position of CSO to promote sustainable development, align itself with the UN's sustainable development goals, drive effective communications with stakeholders, and create higher added value in order to achieve corporate sustainability and be a world-class corporate citizen. In addition, Delta has formulated the Corporate Social Sustainability Best Practice Principles under the approval of the Board of Directors in compliance with relevant regulations. The Principles clearly define the key principles, including corporate governance implementation, sustainable environment development, social welfare maintenance, and the strengthening of information disclosure, in fulfilling the Company's corporate sustainable development.

From the environmental aspect, Delta is committed to "disclosure of climate change information", "corporate self-motivated carbon reduction", "participation in climate policy" and "transition to electric vehicles and expansion of charging facilities" in response to the We Mean Business international initiatives proposed by CDP, The Climate Group, the World Business Council for Sustainable Development (WBCSD), and 100% renewable electricity usage. Delta has disclosed its greenhouse gas (GHG) emissions data and energy-saving achievements since 2007 and adopted Task Force on Climate-related Financial Disclosures (TCFD) framework for the disclosure of climate governance and performance after the release of TCFD in 2017. Delta is committed to "corporate self-motivated carbon reduction" and has introduced Science Based Targets (SBTs). In 2017, it became the first company in Taiwan and the 87th company in the world to pass the SBTi audit. In 2020, carbon intensity was reduced by over 55%, fulfilling Delta's target for three consecutive years. In 2020, the percentage of global renewable energy use exceeded 45%. As for "participation in climate policy", Delta continues to collaborate with the well-known think tank, "American Council for an Energy-Efficient Economy"(ACEEE), to summarize how the policies of global resilient cities facilitate metropolitan climate resilience through clean energy, electric vehicles, and microgrids using quantitative and qualitative measures. Methods adopted include strategies that promote traffic efficiency, the setting of benchmarks for buildings and requirements for energy refurbishment, an increase in electric vehicles, and the development of microgrids, all of which facilitate the planning of related domestic policies in the future. In 2018, Delta joined the EV100 and committed to the "transition to electric vehicles and expansion of charging facilities". In 2019, besides conducting internal investigations and setting milestones, Delta was invited for the first time to participate in Climate Week NYC and exchange experiences with EV100 members. Delta formally joined the RE100 Climate Group beginning in 2021 and is actively committed to achieving 100% renewable electricity usage and carbon neutrality for factories around the globe by 2030.

From the social aspect, Delta supports international labor and human rights standards by emphasizing balanced development for employees and proposing talent nurturing and retention programs. Delta generates optimal benefits for employees, shareholders, and the whole of society through continuous innovation, development of high value-added products, and creation of a workplace that allows employees to reach their full potential. For stakeholders to better understand our efforts, Delta takes part in external seminars and forums to share our experience and issues the Delta Electronics ESG Report annually to publicly announce our ESG performance.

Delta proactively complies with the Sustainable Development Goals (SDGs) set by the UN in 2015. Apart from the environmental, social, and governance aspects which correspond with the SDG's 17 goals and 169 targets, Delta has set another 7 goals for material issues identified by stakeholders. The 7 goals are: 4. Quality Education; 7. Affordable and Clean Energy; 9. Industry, Innovation, and Infrastructure; 11. Sustainable Cities and Communities; 12. Responsible Consumption and Production; 13. Climate Action; and 17. Partnerships for the Goals. Delta's key strategies for the alignment with SDGs are as follows:

For Delta’s pursuit of balanced interests for stakeholders, devotion to environment and energy conservation, and expansion of social participation, please refer to the following sections; for corporate governance related information, please refer to Chapter 3 Corporate Governance Report of this annual report.

SDGs	Key Strategies for the Alignment with SDGs
	<p>To support high-quality education for all, talent development and improving knowledge, Delta promotes education and lifelong learning from four aspects: driving basic subject education; boosting environmental education such as energy, water resources, and green buildings; improving educational opportunities in developing countries; and establishing a talent cultivation mechanism within the Company for lifelong learning.</p>
	<p>Constructing a reliable and sustainable clean energy system is one of Delta’s global priorities. Delta is dedicated to the development of solar power generation systems and renewable energy solutions, and discovers new business models during the process. Delta also provides affordable renewable energy solutions for underdeveloped areas to help more people obtain sustainable modern energy.</p>
	<p>Accelerating industrial innovation as well as assisting in the construction of resilient infrastructure is one of the best solutions for companies facing the dual pressures of climate change and sustainable development. Delta has implemented an internal incentive system to continuously accumulate innovative energy and provide diversified energy-saving solutions for global customers. The applications include smart manufacturing and low-carbon transportation.</p>
	<p>As the scale of urbanization continues to grow and populations are increasingly concentrated, sustainable cities have become the key to balancing human welfare and environmental and social sustainable development. To collectively formulate sustainable cities with our stakeholders, Delta actively introduces and promotes green buildings and provides green building solutions, including building automated solutions and energy infrastructures.</p>
	<p>Sustainable consumption and production are the foundations for sustainable business operations. Delta is dedicated to our corporate mission of “To provide innovative, clean, and energy-efficient solutions for a better tomorrow.” We have incorporated sustainable consumption and production models into our daily operations through green production measures, supplier ESG assessments and the promotion of green buildings, factories, and offices, and green operation concepts.</p>
	<p>Responding to climate change and its impact properly and taking countermeasures are major challenges for a company’s sustainable business strategy. Delta responds to climate risks by adaptation and mitigation, and continues to identify business opportunities associated with climate changes. In addition, Delta employs “corporate self-motivated carbon reduction”, “disclosure of climate change information”, “participation in climate policy”, “transition to electric vehicles and expansion of charging facilities”, and 100% renewable electricity usage as strategies, and executes relevant actions from within the Company</p>
	<p>As global citizens, companies must participate in global partnerships to activate sustainable development. Using its participation in international conferences on climate change as the core, Delta provides its views on sustainable development to the international community and increases industrial exchange opportunities. Furthermore, the Company promotes global partnerships by taking concrete actions through its commitments to international initiatives and influencing the value chain.</p>

► 4.1 I. Balanced interests for all stakeholders

4.1.1 Human rights, employee rights and employee relations

4.1.1.1 Employee policy and communication channels



Delta is committed to complying with the International Bill of Human Rights, local regulations where the business of Delta is located, and establishing the Delta Group Human Rights and Employment Policy. Delta emphasizes its focus on global human rights, which covers employees, subsidiaries, business partners, suppliers, and contractors, and acts as the basic standard for all employees to observe at work and in their business activities. Delta has also signed the Modern Slavery Act Transparency Statement under the British Modern Slavery Act. Delta is committed to promoting labor communication and human rights-friendly management. In addition, Delta conducts education and training to enhance human rights standards through online courses, which enables employees to understand their rights and the Company’s human rights policies. Delta has trained 59,401 individuals globally with a completion rate of 85.2%, including a total of 9,322 people trained in Taiwan factories with a completion rate of 97.2%.

4.1.1.2 Talent attraction and retention



[Commitments](#)

In the face of a volatile global economy and uncertain international political and economic conditions, Delta has implemented an agile talent strategy in identifying organizational needs and talent trends, and flexibly and quickly adjusts to the necessary action plans. Delta has established a diverse and inclusive friendly workplace, competitive remuneration, a developed learning plan, and regular employee engagement surveys to retain employees and build closer partnerships.

[Key Initiatives for the Alignment with SDGs](#)

(1) Diversified and Inclusive Employment

Our global factories and operations are well-equipped with multinational staff that encourages the disadvantaged to contribute with their strengths.

(2) Global collaboration to attract international talent

Delta promotes post-epidemic talent solutions that integrate industry, government, and academic resources for virtual and physical recruitment activities, a quality workplace, and competitive remuneration, which has resulted in a 5.6% increase in global recruitment acceptance rate compared to the previous reporting year.

(3) Child care benefits

To attract and retain the best talent and reward the outstanding performance of our employees, we offer competitive remuneration and benefits superior to statutory requirements. In recent years, Delta has actively recruited R&D and engineering talents as a result of its continuous commitment to emerging businesses. However, the overall earning provision ratio was no less than that of the previous years.

(4) Building a happy workplace and promoting comprehensive healthcare

To ensure the health and well-being of our employees, we promote 4S (Say, Stay, Strive, Social) core values to maintain a healthy workplace, continuously pursue a work-life balance, and build a safe, healthy and friendly workspace. In response to the COVID-19 epidemic, protecting the health of employees is our primary goal. We have established an epidemic prevention network that provides consultation and care.

[Future Plans](#)

Delta plans to focus on its existing advantages, strengthen its brand image as an employer, and develop the core message for global recruitment: "Green Future. Endless Possibilities. Join Delta to open unlimited possibilities". In addition, the Group will strengthen its innovation, research and development capabilities, cooperate with local leading universities and government bureaus to build an industry environment at universities, where Delta's staff are stationed to ensure the industry is aligned with the academic field, as well as to assist students to gain competitiveness for the future.

4.1.1.3 Talent Learning and Development



[Commitments](#)

For Delta, our talents are our most valuable assets. We are committed to staff training and development, establishing a sound system that serves as a market standard, and developing online courses that enable learning regardless of time, location, and the pandemic. Delta continues to implement key talent succession, key talent transformation and training, and key training program development. We have strengthened our organizational core capabilities in response to future trends and changes, and have enhanced our talent capability to boost our competitive edge.

[Key Initiatives for the Alignment with SDGs](#)

(1) Key talent team and transformation drivers

Delta's senior management established the LDC (Leadership Development Committee) for talent planning and review from the perspective of business strategy and business development, and to enhance our preparation for recruiting key talents. Ten young talents were selected globally to provide solutions-related development activities with a focus on "multi-talents" and "sales power".

(2) Key training programs and diverse learning resources

In line with its strategic transformation, Delta has designed three key training aspects: "leadership", "technical capability" and "business capability". Delta continues to promote a digital learning model and an internal knowledge management platform to assist employees in quickly acquiring the required knowledge and further facilitate knowledge sharing and reuse.

(3) Performance feedback and employee engagement

Comprehensive performance management, organizational goals, individual goals, and talent development are closely linked, which improves business performance. Delta listens to the voice of its employees, adjusts its efficiency based on the results of an engagement survey, conveys the Group's transformation direction through physical and online activities, and promotes positive behavior with functional planning to ensure its capacities are able to keep up with development needs.

[Future Plans](#)

Delta continues to invest more resources in talent development, strengthen its development mechanisms, and expand learning channels, which enables its employees to develop through various means, such as outsourcing, position adjustment or rotation, and transfer of professional skills. Delta also plans diversified long-term retention measures and has built an environment for long-term development. Young talents with potential will be identified and tracked by a talent management mechanism, where Delta pays close attention to development potential. Employees are encouraged to submit proposals each year through the Delta Innovation Awards to revitalize the innovation dynamics within the Company.

4.1.1.4 Occupational Safety and Health



[Commitments](#)

We value the safety and health of our working environment and are committed to creating a safe and healthy workplace.

[Key Procedures and Methods in Promoting SDGs](#)

- Promote a safety and health management system focusing on prevention to ensure the operational safety of workers.
- Conduct regular safety inspections in the workplace.

[Future Plans](#)

Enhance staff safety and health awareness and promote a safety culture in the workplace to achieve zero hazards.

4.1.1.5 Provide leaves for volunteers+



Upholding Delta's management mission of "To provide innovative, clean and energy-efficient solutions for a better tomorrow," the Company has joined forces with the Delta Electronics Foundation (Foundation) to promote the "Delta Energy Education Volunteer" project. Since 2006, the Foundation has recruited and trained employees to become seed players in energy education, who will facilitate in coaching energy institutes and serve as volunteer guides in exhibitions related to climate awareness.

4.1.2 Investor relations

Delta hosts an Investors Conference each quarter, where it announces quarterly financial performance and operating conditions and explains the Company's long-term strategic planning and future development to investors and the media. Delta provides a synchronized Chinese and English online streaming broadcast of the conference on its website. This makes it more convenient for all domestic and foreign investors to

understand the Company's latest information on a firsthand basis.

In recent years, major global investment institutions continue to pay attention to the strategies, potential risks, and opportunities of enterprises in their pursuit of corporate sustainable development. Delta was listed on the Dow Jones Sustainability™ World Index for the 10th consecutive year and was honored as the ICT sector leader for the 5th time. Delta also achieved Level A corporate in the CDP Climate Change and Water Safety Management Assessment, and obtained Grade A in supply chain and leadership. Delta was also included in sustainability indexes such as the FTSE4Good TIP Taiwan ESG Index, and MSCI Taiwan ESG Leaders Index.

4.1.3 Customer and supplier relations

4.1.3.1 Exceed customer expectations



Commitments

With “Smarter. Greener. Together.” as its brand commitment, Delta integrates its core competencies in power and electronics with advanced energy conservation technology to provide its customers with cleaner, more efficient, and reliable total solutions for energy conservation. At the same time, it reduces resource consumption and GHG emissions to generate higher value for customers. In the future, Delta will conduct satisfaction surveys through third-party customers. Delta offers a one-stop-shop solution for customers through innovative research and development.

Key Initiatives for the Alignment with SDGs

- Participate in exhibitions to promote Delta's solutions.
- Improve customer relationship management.

Future Plans

- Conduct customer satisfaction and importance surveys using diverse methods to narrow the service gap and enhance customer satisfaction.
- Segment retailers by service competency and set up comprehensive service quality training for retailers to enhance their customer service quality.

4.1.3.2 Supplier Sustainability Management



Commitments

Delta views its suppliers as long-term partners. We believe that competitive quality, technology, delivery, and cost are also the basic requirements for a supplier. More emphasis will be placed on the governance, environmental and social aspects of the supply chain in the future. The aim is for suppliers to be not merely the business partners of Delta, but also partners in our promotion of sustainability.

Key Initiatives for the Alignment with SDGs

- Supplier ESG risk management.
- Supplier water risk identification.
- Supplier sustainability interactions and ESG issues cooperation

Future Plans

- With reference to the RBA standards, Delta will establish the ESG audit management mechanism to identify high-risk suppliers and implement improvement measures.
- Actively cooperate on ESG issues with key suppliers.

4.1.4 Accumulate innovative energy



Commitments

With a corporate culture of innovation, Delta's R&D investment has accounted for at least 8% of Delta's total revenue. In 2020, innovation and R&D expenses accounted for 9% of our total revenue. The focus is on enhancing the conversion efficiency of our core products.

[Key Initiatives for the Alignment with SDGs](#)

- Delta's internal innovation mechanism.
- Delta Research Institute.
- Application of intellectual property rights and exchange of the latest technology.

[Future Plans](#)

- Continue to be an innovation pioneer in the market.
- Encourage employees to stay focused on R&D.
- Enhance corporate interdepartmental cooperation and innovation.

4.1.5 Information security management



[Commitments](#)

Ensure the information security of Delta's IT infrastructure, information application systems, and products; and the data security of customers so that Delta continues to be an information security paragon among global electronic manufacturers.

[Key Initiatives for the Alignment with SDGs](#)

- Organizational structure of information security.
- Formulate information security policies and procedures.
- Establish an emergency response mechanism.

[Future Plans](#)

Introduce ISO 27001 Information Safety Management System to projects.

► 4.2 Devoted to environment protection and energy conservation

Delta continues to implement its business mission in daily operations and incorporates "climate change" as one of the major risks for its corporate sustainable development. In addition to paying close attention to the developing trends of global climate change, Delta accumulates and broadens our R&D strengths based on potential opportunities identified from climate change and has actively transformed into a green energy-saving solution provider. Besides the continued promotion of renewable energy applications, energy recycling and reuse, and the reduction of waste, Delta focuses more on specific actions to protect the environment and save energy, including developing eco-friendly and energy-efficient products and solutions, actively responding to climate change, implementing energy management at operational sites, and carrying out water resource and waste reduction management. Please refer to Delta Electronics ESG Report for detailed implementation results.

4.2.1 Developing energy-saving products and solutions



[Commitments](#)

Holding true to our vision for energy conservation and environmental protection, Delta continues to enhance product energy efficiency and actively develops renewable energy solutions through product technical innovations. We also emphasize green designs that mitigate environmental impacts through introducing the concept of Life Cycle Assessment to achieve our product responsibility and consumption.

[Key Procedures and Methods in Promoting SDGs](#)

- Continue to enhance product energy efficiency.
- Provide green innovations in products/services.
- Actively develop photovoltaic system and renewable energy solutions.

[Future Plans](#)

- Continue to enhance product energy efficiency, facilitating global clients to conserve more energy.
- Bring the green circular economy concept into all products, extend product life cycles, and optimize product recycling mechanisms.
- Expand the scope of reusable energy and continue to cultivate automation solutions to provide better

services for our clients.

4.2.2 Proactive response to climate change



[Commitments](#)

Specific Achievements on the “We Mean Business” Initiative

- Climate change information disclosure
- participation in climate policy
- Individual Corporate Carbon Reduction
- Transition to electric vehicles and popularize charging facilities
- 100% renewable electricity usage

[Key Initiatives for the Alignment with SDGs](#)

- Respond to the below 1.5°C Global Warming Limit Target, establish and accomplish SBT
- identify risks in climate change, build competencies to adapt to climate risks and further mitigate possible climate risks.
- Participate in international initiatives and identify and develop climate change opportunities.

[Future Plans](#)

- Decrease electricity intensity and carbon emissions to achieve SBTs.
- Introduce an internal carbon pricing mechanism step-by-step; assess the influences on operations by assigning costs to carbon emissions from setting carbon prices to launching testing projects.

4.2.3 Implementing energy management at manufacturing plants



[Commitments](#)

After achieving a 50% reduction in electricity intensity of our production process between 2009 and 2014, Delta promises to widen the extent of electricity reduction beyond new production plants to include R&D centers, office buildings, and data centers. With 2014 as the benchmark, Delta plans to lower its electricity intensity by an additional 30% by 2020. Delta aims to implement energy efficiency management by constructing and using solar energy, promoting energy-saving projects, and purchasing green power and renewable energy certificates.

[Key Initiatives for the Alignment with SDGs](#)

- Expand the scope of energy management and implementing concrete targets.
- Develop products and solutions with high energy efficiency.
- Implement and promote green production sites and office buildings.

[Future Plans](#)

- Continue to promote energy-saving projects to increase the energy utilization rate.
- Continue to fulfill our commitment that all production facilities and offices need to be green buildings.
- Promote the use of renewable energy in our facilities, fulfill the RE100 commitment throughout our global facilities by 2030.

4.2.4 Water and waste management



[Commitments](#)

In response to climate change, a stable water supply and resource shortages have become global issues. To fulfill our social responsibility and to respond to global environmental issues, Delta promised to reduce overall water intensity and waste intensity at production plants and office buildings by 30% and 15%, respectively, before 2020, using 2015 as the base year. Delta, together with enterprises worldwide, is facing the challenge of environmental sustainability issues with specific actions.

[Key Procedures and Methods in Promoting SDGs](#)

- Build valuation models as a basis for subsequent risk improvement.
- Set waste reduction goals and establish a water resource monitoring system.

- Promote source minimization and improve water recycle and reuse.
- Significantly reduce waste generation and reduce environmental impact through prevention, reduction, recycle, and reuse.

Future Plans

- Continue to reduce the use of water resources and build a management system.
- Continuously promote green procurement to increase resource utilization.

► 4.3 Expanding social participation

In addition to providing quality products and services to support a better life quality for all, Delta actively participates in environmental and education-oriented social welfare activities. Over the years, Delta has integrated core competencies with social welfare strategies, and by relying on the Foundation for coordination and planning. The Company continues to focus on popularizing the concept of green buildings and low-carbon transportation equipment, promoting energy conservation and climate education, and actively developing talents.

4.3.1 Popularizing green buildings and low-carbon transportation equipment

Delta Foundation has long organized the “Green Architects Training Workshop”. During the epidemic in 2020, as indoor ventilation became an important means to reduce infection risk, the Foundation held the first Well Healthy Building Standard Program, which introduces methods to build comfortable and energy-saving buildings. The Foundation also organized the first “LEED Zero Carbon Building Program” to introduce the latest international “zero energy consumption” construction knowledge to the country. The two programs, both online and offline, attracted over 1,000 participants. In addition, the Delta Foundation assisted the Sunshine Foundation combat the epidemic and provide a healthy and comfortable environment for burn patients, by installing a high-performance wind system, UNO air quality monitoring solutions, and double windows. Fresh air can now be introduced into their offices without having to open a window, reducing the indoor carbon dioxide concentration, and the UNO solutions monitor indoor air quality at all times. The system also effectively isolates external heat sources and reduces the operation and energy consumption of air-conditioning.

4.3.2 Promoting energy conservation and climate education

The Delta Foundation has long trained Delta volunteers to bring environmental education to schools and inspire students to learn about energy and carbon reduction. In 2020, Taiwan faced its most severe coral bleaching crisis in 20 years due to rising sea temperatures. The Foundation cooperated with the National Museum of Marine Science and Technology to study marine warming and adaptation, which allowed volunteers to explore the biodiversity that is fed by the coral and contribute to coral conservation. In addition, the Foundation continued to promote the latest climate and energy news through multiple media, including the “Low-Carbon Life blog” and the “IC Voice - Climate War in Taiwan”. The number of readers and listeners has exceeded 10 million.

4.3.3 Proactive talent development

DeltaMOOCx is a Massive Online Open Courses (MOOCx) free course platform established by the Delta Foundation for high school/engineering programs and university automation programs. As of 2020, the number of participants in the platform’s online courses exceeded 10 million. The completion of automation programs maintained its leading position in the Mandarin online education industry. As online teaching received a boost from the COVID-19 epidemic, the Delta Foundation published its “New Vision to Online Learning - University - DeltaMOOCx’s commitment in training automation talents”, which shares its experience in establishing the platform and programs. The Foundation hopes to promote online education in Taiwan and encourage outstanding teachers to join online teaching. In addition, to encourage young leaders and academics to pursue further studies and to apply their professional knowledge and skills to environmental and climate issues, Delta Foundation offers environmental scholarships and has sponsored 139 master, Ph.D. students, and other academics as of 2020.

► 4.4 Others

Task Force on Climate-related Financial Disclosures (TCFD)

Delta adopts the TCFD structure in disclosing its practice where the four core elements of climate change, i.e. governance, strategy, risk management, and indicators and targets, are concerned:

I. Governance: Disclose the organization's climate-related risks and opportunities	
Guiding Principles	Specific Practices
Board's supervision over climate-related risks and opportunities	<ul style="list-style-type: none"> The Delta ESG Committee (the "ESG Committee") under the Board of Directors is the highest-level supervision unit for climate risk and opportunity within Delta, with Mr. Bruce Cheng, founder and honorary chairman of Delta, as the honorary chairperson and Mr. Yancey Hai, Chairman of Delta, as the chairperson. The ESG Committee is composed of board members including the vice chairman, CEO and COO as well as CSO and top executives from regional and functional management. Most members of the Board of Directors have been paying attention to climate change and have a full understanding of the significance and effects of climate change. When considering major investment resolutions, including the construction of green buildings, solar energy plants, and green energy investment, the Board of Directors is able to take climate change issues into consideration.
Management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> Climate change covers a wide range of topics and impacts, with each responsible unit at Delta playing different roles. They can facilitate the implementation of measures through communication and exchange of information at quarterly ESG Committee meetings. The Corporate Sustainability Development Office under the ESG Committee is responsible for monitoring international climate change trends, coordinating projects related to climate change, compiling relevant data indicators, establishing an operational framework, organizing education and training on climate change, inviting heads of different functions and business groups to keep the management abreast of climate-related issues. The business group is responsible for the research and development of a variety of energy-saving related products and solutions, and is committed to improving the energy efficiency of its products and developing products and services that contribute to the mitigation and adaptation of climate change. The Energy Conservation Service Department is responsible for providing comprehensive energy efficiency improvement services to enhance the energy efficiency of utilities, data centers, buildings, and factories. The CSO reports to the Board of Directors on trends relating to climate change on a quarterly basis, as well as Delta's climate management progress, including important trends, key data, disclosure effectiveness, external assessment results, and the overall performance of energy and carbon reduction. To facilitate effective operation of key issues, energy conservation and products are managed by the Energy Management Committee and strategic development meetings. The Energy Management Committee under the Delta ESG Committee holds meetings quarterly and is responsible for promoting energy conservation at Delta's global factories, green buildings, and server rooms, as well as the introduction of global renewable energy. The strategic development meeting is held annually, in which the business and functional groups report important trends, set strategic direction of the business groups and targets for Delta. The above meetings are led by the management team with Board members participating.

II. Strategy: Immediate and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Guiding Principles	Specific Practices
Short-, medium-, and long-term climate-related risks and opportunities identified	<ul style="list-style-type: none"> • With reference to its internal carbon reduction targets, Delta has defined the short-term as three years, the mid-term as three to five years, and the long-term as more than five years. • Short-, medium-, and long-term risks: <ol style="list-style-type: none"> 1. Short-term: Carbon taxes and related taxes, uncertainty surrounding regulation and policies, increased cost of raw materials, voluntary agreements, renewable energy regulation. 2. Medium-term: Shifts in consumer preferences to low-carbon products, customers change supplier selection criteria, requirements for decreasing greenhouse indirect emissions from water and waste reduction, increased severity of extreme weather events such as cyclones and floods, costs to transition to lower emissions technology, mandates on and regulation of existing products and services, rising mean temperatures, international sector agreements, changes in precipitation patterns and extreme variability in weather patterns, customers' changing product specification requirements. 3. Long-term: Substitution of existing products and services with lower emissions options, rising sea levels, emission reduction requirements to suppliers. • Short-, medium-, and long-term opportunities: <ol style="list-style-type: none"> 1. Short-term: Adoption of more efficient production and distribution processes, recycle and reuse, more energy-efficient buildings, use of low-emission energy, supportive policy incentives, use of new technologies, participation in carbon trading markets, the movement towards decentralized energy production, development or expansion of low-carbon products and services, development of climate adaptation and insurance solutions, diverse management, responses to the changes in consumer preferences, and new market partnerships. 2. Medium-term: Participation in renewable energy projects and energy efficiency enhancement. 3. Long-term: Reduction in the use of water resources, R&D and innovation of new products and services, and resource substitution and diversification.
Climate-related risks and opportunities having significant impact on the organization's businesses, strategy, and financial planning	<ul style="list-style-type: none"> • Delta's identified climate risks and opportunities range from products and services, supply chains, adaptation and mitigation activities, R&D, investment, operations to other relevant aspects, and the probability of occurrence and degree of impact for each assessed risk and opportunity. • In 2018, Delta introduced the trial project, which further analyzes the impact caused by operating costs and revenues, capital expenditures, and distributions to understand the financial impact on its business and develop responding strategies.
Potential impacts from different climate-related scenarios on the organization's business, strategy and financial planning	<ul style="list-style-type: none"> • Based on the International Energy Agency's (IEA) 2017 scenario for the global temperature increase within 2°C, Delta estimated its commitment to reducing carbon emissions and established the 2025 Science-Based Targets (SBT) with the year of 2014 as the benchmark. The targets were already approved by the Science-Based Target Initiative (SBTi) in 2017. • Currently, Delta has fulfilled its objective for three consecutive years. Delta has also actively introduced the Task Force on Climate-related Financial Disclosures (TCFD) to assess the risks and opportunities arising from climate change. • Delta uses NDC and Beyond 2°C to simulate business opportunities for energy storage-related products under different climates.

III. Risk management: Process used by the organization to identify, assess, and manage climate-related risks

Guiding Principles	Specific Practices
Organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> • The Board of Directors has instructed the ESG Committee to manage and monitor climate-related issues. Based on the climate change research report, risk assessment report, stakeholders' voices, and with reference to ESG issues, the ESG Committee has identified transformation risks and physical risks according to the proposed risk structure, analyzed the impact arising from policies and regulations, technology, markets, corporate reputation, and extreme and chronic climate events. • Delta conducts a major survey every three years and re-assesses the results annually to confirm the reasonableness and ensure that the results are in line with current circumstances. Delta selects high-risk projects and matches them with corresponding opportunities based on their short-term, medium-term and long-term goals, as well as possibility and impact. At the same time, to evaluate the feasibility of quantification, quantitative feasibility has been added to the third aspect since 2020.

III. Risk management: Process used by the organization to identify, assess, and manage climate-related risks

Guiding Principles	Specific Practices
Organization's processes for managing climate-related risks	<ul style="list-style-type: none"> If the overall score of a climate risk event falls in the high attention category, an approach based on "mitigation" and "adaptation" will be adopted. <ol style="list-style-type: none"> Mitigation: To actively promote the construction of renewable energy, energy conservation, green buildings, and increase energy efficiency to reduce Delta's dependence on energy. Adaptation: To develop renewable and other alternative clean energy, formulate corporate sustainable operation plans related to climate risks, and analyze and seize on impacts arising from climate change to come up with corresponding strategies, as well as provide customers with integrated solutions and assist them in adapting to climate change.
How to integrate the processes of climate-related risk identification, assessment, and management into the overall risk management	<ul style="list-style-type: none"> Climate change is one of the official issues of the Delta Group's risk management and is included in the overall risk management. Due to the special nature of climate change, the Board of Directors has also delegated the ESG Committee to be responsible for identifying and managing climate risks and opportunities and implementing corresponding measures and solutions.

IV. Indicator and targets: Indicators and targets used by the organization to assess and manage climate-related risks and opportunities

Guiding Principles	Specific Practices
Indicators used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> As of 2020, the indicators adopted by Delta for assessing climate-related risks include science-based carbon reduction achievements, Energy Intensity (EI) of factories, Energy Use Intensity (EUI) of R&D/office buildings, Power Usage Effectiveness (PUE) of data centers, the overall EI (factories, R&D/office buildings, and data centers), waste intensity, and water productivity intensity. At the beginning of 2021, Delta committed to reaching 100% renewable electricity usage by 2030. Since then, the percentage of renewable energy usage has become a new indicator. Delta will implement measures in relation to energy conservation and transformation of renewable energy with its internal carbon pricing system.
Disclose Scope 1, Scope 2, and Scope 3 GHG emissions, and related risks..	<ul style="list-style-type: none"> According to the GHG Protocol, Delta has conducted greenhouse gas inventories of direct emissions (Scope 1) and indirect emissions (Scope 2) and verified the amount based on the ISO 14064-1 greenhouse gases inventory standards. With reference to GHG Protocol Scope 3, Delta conducts GHG inventories of Scope 3, which include purchased goods and services, business travel, use of sales products, upstream and downstream transportation and distribution, and waste management, and obtains the ISO 14064-1 GHG verification report. The results of previous annual inventories are published in the chapter titled "Devoted to environment protection and energy conservation," in the Delta Electronics ESG Report.

5. Capital and Shares

► 5.1 Capital and shares

5.1.1 Source of capital

April 28, 2021/ Unit: Shares, NT\$1,000

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
1971.04	10	30,000	300,000	30,000	300,000	Incorporation	-
1972.04	10	100,000	1,000,000	100,000	1,000,000	capital increase by cash	700,000
1973.07	10	300,000	3,000,000	300,000	3,000,000	capital increase by cash	2,000,000
1975.08	10	500,000	5,000,000	500,000	5,000,000	capital increase by cash	2,000,000
1977.08	10	1,000,000	10,000,000	1,000,000	10,000,000	capital increase by cash	5,000,000
1978.11	10	2,000,000	20,000,000	2,000,000	20,000,000	capital increase by cash	10,000,000
1979.08	10	4,000,000	40,000,000	4,000,000	40,000,000	capital increase by cash capitalization of retained earnings	16,100,000 3,900,000
1982.08	10	8,000,000	80,000,000	8,000,000	80,000,000	capital increase by cash capitalization of retained earnings	34,000,000 6,000,000
1984.11	10	16,000,000	160,000,000	16,000,000	160,000,000	capital increase by cash capitalization of retained earnings	60,000,000 20,000,000
1985.11	10	19,500,000	195,000,000	19,500,000	195,000,000	capital increase by cash capitalization of retained earnings	3,000,000 32,000,000
1987.11	10	52,000,000	520,000,000	52,000,000	520,000,000	capital increase by cash capitalization of retained earnings	130,000,000 195,000,000
1988.07	10	78,500,000	785,000,000	78,500,000	785,000,000	capitalization of retained earnings	265,000,000
1988.11	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	capital increase by cash	215,000,000
1989.09	10	125,000,000	1,250,000,000	125,000,000	1,250,000,000	capitalization of retained earnings	250,000,000
1990.09	10	179,000,000	1,790,000,000	138,600,000	1,386,000,000	capitalization of retained earnings	136,000,000
1991.12	10	179,000,000	1,790,000,000	152,460,000	1,524,600,000	capitalization of retained earnings	138,600,000
1992.08	10	229,000,000	2,290,000,000	167,706,000	1,677,060,000	capitalization of retained earnings	152,460,000
1992.12	10	229,000,000	2,290,000,000	170,620,786	1,706,207,860	exercise of warrants for common stocks	29,147,860
1993.08	10	268,000,000	2,680,000,000	191,800,000	1,918,000,000	capitalization of retained earnings	211,792,140
1993.12	10	268,000,000	2,680,000,000	203,301,496	2,033,014,960	exercise of warrants for common stocks	115,014,960

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
1994.08	10	320,000,000	3,200,000,000	245,600,000	2,456,000,000	capitalization of retained earnings	422,985,040 1994.07.22(83) Tai-Tsai-Tzeng (1) No.32166
1994.12	10	320,000,000	3,200,000,000	246,360,671	2,463,606,710	exercise of warrants for common stocks	7,606,710 1995.01.05(84) Tai-Tsai-Tzeng (1) No.55114
1995.07	10	360,000,000	3,600,000,000	297,800,000	2,978,000,000	capitalization of retained earnings	514,393,290 1995.06.17(84) Tai-Tsai-Tzeng (1) No.36040
1995.12	10	360,000,000	3,600,000,000	298,010,250	2,980,102,500	exercise of warrants for common stocks	2,102,500 1996.01.03(85) Tai-Tsai-Tzeng (1) No.67056
1996.07	10	500,000,000	5,000,000,000	362,000,000	3,620,000,000	capitalization of retained earnings	639,897,500 1996.07.01(85) Tai-Tsai-Tzeng (1) No.40315
1996.12	10	500,000,000	5,000,000,000	362,522,704	3,625,227,040	exercise of warrants for common stocks	5,227,040 1997.01.04(86) Tai-Tsai-Tzeng (1) No.76507
1997.07	10	500,000,000	5,000,000,000	446,702,490	4,467,024,900	capitalization of retained earnings exercise of warrants for common stocks	784,772,960 57,024,900 1997.06.25(86) Tai-Tsai-Tzeng (1) No.50062 1997.07.24(86) Tai-Tsai-Tzeng (1) No.59606
1998.01	10	500,000,000	5,000,000,000	457,457,125	4,574,571,250	exercise of warrants for common stocks	107,546,350 1998.01.05(87) Tai-Tsai-Tzeng (1) No.96405
1998.07	10	900,000,000	9,000,000,000	560,685,771	5,606,857,710	capitalization of retained earnings exercise of warrants for common stocks	1,005,428,750 26,857,710 1998.06.12(87) Tai-Tsai-Tzeng (1) No.51669 -
1998.12	10	900,000,000	9,000,000,000	561,908,458	5,619,084,580	exercise of warrants for common stocks	12,226,870 -
1999.07	10	900,000,000	9,000,000,000	734,534,144	7,345,341,440	capitalization of retained earnings exercise of warrants for common stocks	1,233,915,420 492,341,440 1999.06.11(88) Tai-Tsai-Tzeng (1) No.54830 -
1999.12	10	900,000,000	9,000,000,000	747,599,319	7,475,993,190	exercise of warrants for common stocks	130,651,750 -
2000.02	10	900,000,000	9,000,000,000	748,424,552	7,484,245,520	exercise of warrants for common stocks	8,252,330 -
2000.07	10	1,400,000,000	14,000,000,000	954,446,384	9,544,463,840	capitalization of retained earnings exercise of warrants for common stocks	2,045,754,480 14,463,840 2000.06.05(89) Tai-Tsai-Tzeng (1) No.48759 -
2000.12	10	1,400,000,000	14,000,000,000	954,615,430	9,546,154,300	exercise of warrants for common stocks	1,690,460 -
2001.07	10	1,400,000,000	14,000,000,000	1,189,460,000	11,894,600,000	capitalization of retained earnings	2,348,445,700 2001.06.05(90) Tai-Tsai-Tzeng (1) No.135239
2002.07	10	1,680,000,000	16,800,000,000	1,387,879,000	13,878,790,000	capitalization of retained earnings	1,984,190,000 2002.06.06 Tai-Tsai-Tzeng (1) No.09100130199
2003.06	10	1,680,000,000	16,800,000,000	1,480,273,000	14,802,730,000	capitalization of retained earnings	923,940,000 2003.05.21 Tai-Tsai-Tzeng (1) No.0920122376
2004.07	10	2,000,000,000	20,000,000,000	1,585,560,000	15,855,600,000	capitalization of retained earnings	1,052,870,000 2004.06.01 Tai-Tsai-Tzeng (1) No.0930124290

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
2004.12	10	2,000,000,000	20,000,000,000	1,585,971,952	15,859,719,520	conversion of convertible bonds to shares	4,119,520 2005.01.25 Ching Shou Shang Tzu No.09401008870
2005.03	10	2,000,000,000	20,000,000,000	1,607,386,628	16,073,866,280	conversion of convertible bonds to shares	214,146,760 2005.04.19 Ching Shou Shang Tzu No.09401065160
2005.06	10	2,000,000,000	20,000,000,000	1,778,516,162	17,785,161,620	conversion of convertible bonds to shares capitalization of retained earnings	586,826,570 1,124,468,770 2005.07.12 Ching Shou Shang Tzu No.09401128700 -
2005.09	10	2,000,000,000	20,000,000,000	1,822,749,878	18,227,498,780	conversion of convertible bonds to shares	442,337,160 2005.10.17 Ching Shou Shang Tzu No.09401204370
2005.12	10	2,000,000,000	20,000,000,000	1,830,381,534	18,303,815,340	conversion of convertible bonds to shares	76,316,560 2006.01.16 Ching Shou Shang Tzu No.09501008160
2006.02	10	2,000,000,000	20,000,000,000	1,840,422,412	18,404,224,120	conversion of convertible bonds to shares	100,408,780 2006.03.08 Ching Shou Shang Tzu No.09501040200
2006.06	10	2,300,000,000	23,000,000,000	1,969,445,000	19,694,450,000	capitalization of retained earnings	1,290,225,880 2006.07.06 Ching Shou Shang Tzu No.09501138590
2007.07	10	2,300,000,000	23,000,000,000	2,106,417,250	21,064,172,500	capitalization of retained earnings and capital reserves	1,369,722,500 2007.07.31 Ching Shou Shang Tzu No.09601182190
2008.07	10	2,500,000,000	25,000,000,000	2,185,045,600	21,850,456,000	capitalization of retained earnings and capital reserves	786,283,500 2008.08.04 Ching Shou Shang Tzu No.09701193390
2009.07	10	2,500,000,000	25,000,000,000	2,253,523,956	22,535,239,560	capitalization of retained earnings and capital reserves	684,783,560 2009.07.30 Ching Shou Shang Tzu No.09801167570
2010.03	10	2,500,000,000	25,000,000,000	2,257,309,043	22,573,090,430	conversion of warrants to shares	37,850,870 2010.03.25 Ching Shou Shang Tzu No.09901056170
2010.05	10	2,700,000,000	27,000,000,000	2,383,486,207	23,834,862,070	shares conversion conversion of warrants to shares	1,231,926,960 29,844,680 2010.05.11 Ching Shou Shang Tzu No.09901092450
2010.09	10	2,700,000,000	27,000,000,000	2,384,547,770	23,845,477,700	conversion of warrants to shares	10,615,630 2010.09.02 Ching Shou Shang Tzu No.09901197530
2010.10	10	2,700,000,000	27,000,000,000	2,390,056,623	23,900,566,230	conversion of warrants to shares	55,088,530 2010.10.18 Ching Shou Shang Tzu No.09901234240
2011.01	10	2,700,000,000	27,000,000,000	2,395,076,043	23,950,760,430	conversion of warrants to shares	50,194,200 2011.01.20 Ching Shou Shang Tzu No.10001010690
2011.04	10	2,700,000,000	27,000,000,000	2,401,054,458	24,010,544,580	conversion of warrants to shares	59,784,150 2011.04.15 Ching Shou Shang Tzu No.10001075110
2011.07	10	2,700,000,000	27,000,000,000	2,402,028,048	24,020,280,480	conversion of warrants to shares	9,735,900 2011.07.19 Ching Shou Shang Tzu No.10001162540
2011.10	10	2,700,000,000	27,000,000,000	2,403,193,369	24,031,933,690	conversion of warrants to shares	11,653,210 2011.10.14 Ching Shou Shang Tzu No.10001238570
2012.01	10	2,700,000,000	27,000,000,000	2,403,405,806	24,034,058,060	conversion of warrants to shares	2,124,370 2012.01.16 Ching Shou Shang Tzu No.10101010510

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
2012.04	10	2,700,000,000	27,000,000,000	2,406,173,262	24,061,732,620	conversion of warrants to shares	27,674,560 2012.04.18 Ching Shou Shang Tzu No.10101068730
2012.07	10	2,700,000,000	27,000,000,000	2,408,757,282	24,087,572,820	conversion of warrants to shares	25,840,200 2012.07.24 Ching Shou Shang Tzu No.10101145400
2012.10	10	2,700,000,000	27,000,000,000	2,417,141,304	24,171,413,040	conversion of warrants to shares	83,840,220 2012.10.19 Ching Shou Shang Tzu No.10101216820
2013.01	10	2,700,000,000	27,000,000,000	2,421,199,989	24,211,999,890	conversion of warrants to shares	40,586,850 2013.01.21 Ching Shou Shang Tzu No.10201014220
2013.04	10	2,700,000,000	27,000,000,000	2,426,016,226	24,260,162,260	conversion of warrants to shares	48,162,370 2013.04.19 Ching Shou Shang Tzu No.10201070540
2013.07	10	2,700,000,000	27,000,000,000	2,427,364,489	24,273,644,890	conversion of warrants to shares	13,482,630 2013.07.17 Ching Shou Shang Tzu No.10201144080
2013.10	10	2,700,000,000	27,000,000,000	2,430,399,411	24,303,994,110	conversion of warrants to shares	30,349,220 2013.10.18 Ching Shou Shang Tzu No.10201214470
2014.01	10	2,700,000,000	27,000,000,000	2,437,543,329	24,375,433,290	conversion of warrants to shares	71,439,180 2014.01.23 Ching Shou Shang Tzu No.10301012580
2016.01	10	2,700,000,000	27,000,000,000	2,597,543,329	25,975,433,290	capital increase by cash	1,600,000,000 2016.01.19 Ching Shou Shang Tzu No.10501008930
2019.04	10	4,000,000,000	40,000,000,000	2,597,543,329	25,975,433,290	-	- 2019.04.26 Ching Shou Shang Tzu No.10801045020

Note: There is no capital increased by assets other than cash.

April 28, 2021

Types of Shares	Authorized Capital			Remarks
	Issued shares	Unissued Shares	Total	
Common Shares	2,597,543,329 shares (Note 2)	1,402,456,671 shares	4,000,000,000 shares (Note 1)	Listed company's shares

Note 1: The Company's authorized capital is 4,000,000,000 shares, whereby, 100,000,000 shares reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

Note 2: As of April 28, 2021, the issued shares are 2,597,543,329 common shares at par value of NTD 10 per share.

Information for Shelf Registration: None.

5.1.2 Shareholder structure

April 13, 2021

Shareholder Structure Quantity	Governmental Organizations	Financial Institutions	Other Institutional Investors	Domestic Individuals	Foreign Institutions and Individuals	Total
Number of Shareholders	0	50	570	103,481	1,764	105,865
No. of Shares Held	0	123,788,144	238,695,595	428,558,839	1,806,500,751	2,597,543,329
Shareholding	0.00%	4.77%	9.19%	16.50%	69.54%	100.00%

Note: Shares as of April 13, 2021, the book closure date for the 2021 AGM.

5.1.3 Diffusion of ownership

April 13, 2021

Shareholder Ownership	Number of shareholders	Number of Shares Held	Shareholding
1 to 999	44,353	7,985,893	0.31%
1,000 to 5,000	53,534	91,576,701	3.53%
5,001 to 10,000	3,803	28,604,217	1.10%
10,001 to 15,000	1,086	13,522,978	0.52%
15,001 to 20,000	530	9,627,571	0.37%
20,001 to 30,000	527	13,228,428	0.51%
30,001 to 40,000	285	10,016,119	0.39%
40,001 to 50,000	189	8,643,424	0.33%
50,001 to 100,000	432	31,444,040	1.21%
100,001 to 200,000	332	47,211,832	1.82%
200,001 to 400,000	260	73,293,861	2.82%
400,001 to 600,000	119	58,227,432	2.24%
600,001 to 800,000	80	55,865,779	2.15%
800,001 to 1,000,000	54	47,903,618	1.84%
1,000,001 and more	281	2,100,391,436	80.86%
Total	105,865	2,597,543,329	100.00%

Note: Common shares, the Company did not issue preferred shares.

5.1.4 List of major shareholders (Top-10 Shareholders)

April 13, 2021

Major Shareholders	Shares	Number of Shares Held (Note)	Shareholding
DEICO INTERNATIONAL LTD.		267,556,280	10.30%
DELTRON HOLDING LTD.		218,211,168	8.40%
Chung-Hua Cheng (Also known as Bruce CH Cheng)		81,878,039	3.15%
Government of Singapore		72,302,338	2.78%
New Labor Retirement Pension Fund		71,385,438	2.75%
Ping Cheng		55,640,093	2.14%
An Cheng (Also known as Victor Cheng)		50,344,764	1.94%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Capital World Growth and Income Fund		37,972,717	1.46%
Cathay Life Insurance Company, Ltd.		37,717,954	1.45%
Labor Insurance Fund		37,521,858	1.44%

Note: Actual number of shares held.

5.1.5 Market price for the past 2 fiscal years, together with the Company's net worth per share, earnings per share, dividends per share, and related information

Item	Year		2019	2020	Current Year up to April 28, 2021 (Note 8)
Market price per share (Note 1) (Note 11)	Highest		167.50	265.00	325.00
	Lowest		126.00	108.50	259.00
	Average		147.87	173.19	292.62
Net worth per share (Note 2)	Before distribution		53.96	56.17	59.21
	After distribution		45.15	(Note 9)	(Note 9)
Earnings per share	Weighted average shares		2,597,543,329	2,597,543,329	2,597,543,329
	Earnings per share (Note 3)		8.90	9.81 (Note 10)	2.53
Dividend per share (Note 11)	Cash dividends		5.0	5.5 (Note 10)	
	Stock dividends	Stock Dividends Appropriated from Retained Earnings	-	- (Note 10)	
		Stock Dividends Appropriated from Capital Surplus	-	- (Note 10)	
	Accumulated unpaid dividends (Note 4)		-	-	
Return Analysis	Price-earnings ratio (Note 5)		16.61	17.65	
	Price-dividend ratio (Note 6)		29.57	31.49	
	Cash dividend yield (Note 7)		3.38%	3.18%	

Note 1: The highest and lowest market prices for each year is provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2: Use the number of the issued shares at year's end and the distribution passed at the following year's shareholders' meeting to fill in.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 4: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 5: Price-earnings ratio = Average closing price for the year / earnings per share.

Note 6: Price-dividend ratio = Average closing price for the year / cash dividend per share.

Note 7: Dividend yield = Cash dividend per share / average closing price for the year

Note 8: Listed net worth per share and earnings per share are according to the report reviewed by CPA in the latest quarter of the date of the publication of this annual report. Other columns show information for the current year as of the date of the publication of the annual report.

Note 9: The earnings distribution proposal for 2020 had not yet been presented for approval at the shareholders' meeting, and is therefore not listed.

Note 10: This has been approved by the Board of Directors' meeting on February 24, 2021. However, as of April 28, 2021, the printing date of the annual report, it has yet to be presented for approval at the shareholders' meeting.

In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as, buyback of shares for transfer or cancellation, domestic capital increase by cash, and employee stock options), it is proposed that the Board of Directors be authorized to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Note 11: The market price per share and cash dividends after retrospective adjustments according to the amount of issued shares by stock dividends:

Market price per share

Unit: NT\$

Item	Year		2019	2020
Market price per share	Market price per share before adjustment		147.87	173.19
	Market price per share after retrospective adjustment (Note 2)		147.87	173.19

Cash dividends

Unit: NT\$

Item	Year		2019	2020
Cash dividends			5.0	5.5 (Note 1)
Cash dividends after retrospective adjustments (Note 2)			5.0	(Note 3)

Note 1: This has been approved by the Board of Directors' meeting on February 24, 2021. However, as of April 28, 2021, the printing date of this annual report, it has yet to be presented for approval at the shareholders' meeting.

Note 2: There is no issuance of stock dividend in 2019 and the payout ratio is 0%, therefore there is no calculation based on retrospective adjustment.

Note 3: The dividend payout proposal for 2020 had not yet been presented for approval at the shareholders' meeting, and is therefore not listed.

5.1.6 Company's dividend policy and implementation thereof

5.1.6.1. Dividend policy provided in the articles of incorporation

The Company shall allocate the earnings for each fiscal year in the following order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company;
4. Setting aside or reversing a special reserve according to relevant regulations when necessary;
5. The balance together with the retained earnings as of the beginning of the fiscal year concerned shall be the shareholders' dividends. The proposed of earnings distribution shall be set by the Board of Directors and submitted to shareholders' meetings for resolving. As the Company is at a stage of stable growth, and considering the benefits of shareholders, stability of financial condition and business development, the amount of dividends distributed to shareholders shall be no less than 60% of the distributable earnings of the current year and no less than 15% of the shareholder's dividends shall be in the form of cash.

5.1.6.2 The dividend distributions proposed at the most recent shareholders' meeting

The cash dividends for the year of 2020 is NT\$14,286,488,310 to be distributed to shareholders. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of approximately NT\$5.5 per share will be distributed. The Board of Directors of the Company has authorized the Chairman to set as record date on which the proposed cash dividend would be distributed according to the shareholding ratio of shareholders appeared in the register of shareholders on the designated record date of distribution after the approval of the Annual General Shareholders' Meeting. In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as , buyback of shares for transfer to cancellation, domestic capital increase by cash , and employee stock options), it is proposed that the Board of Directors be authorized the Chairman to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

5.1.6.3 If a material change in dividend policy is expected, provide an explanation: None

5.1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

The shareholders' meeting did not approved distribution of stock dividends, so this not applicable.

5.1.8 Compensation of employees and directors

5.1.8.1 Information relating to compensation of employees and directors, as set forth in the Company's Articles of Incorporation:

If the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors. If the Company has cumulative losses, the amount equivalent to such losses shall be reserved prior to the allocation and reported in the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive the abovementioned compensation, may be specified by the authorized Board of Directors or the person authorized by the Board of Directors.

5.1.8.2 The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

- (1) The estimated amount of compensation for employees and directors for the current period is based on the profitability for the current year. The relative estimate shall be made in accordance within the rate range specified in the articles of association.
- (2) Basis of calculating the number of shares allotted for stock dividends: N/A
- (3) When there is a difference between the actual allotment amount and the estimated amount, it is classified

as the profit and loss of the following year.

5.1.8.3 Distribution of compensation of employees and directors approved in the Board of Directors meetings

- (1) The Board of Directors has passed the resolution on February 24, 2021 that the earnings in 2020 will be distributed as follows:

According to the Company's Articles of Incorporation, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of at least 3% as the employee compensation and no more than 1% as the compensation for directors.

Proposed cash compensation for employees: NT\$2,421,096,904

Proposed Directors' compensation: NT\$29,400,000.

There is no difference between the figures approved by the Board of Directors and the estimated amount.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period and total employee compensation: N/A

5.1.8.4 The actual distribution of compensation for employees and directors, in the previous fiscal year

- (1) According to the resolution of the Board of Directors on March 10, 2020, for the annual earnings of 2019, NT\$1,763,122,221 of the profit was allocated to employees as cash compensation and NT\$29,400,000 to directors as compensation.

- (2) The above-mentioned actual distribution of compensation of employees and directors was in line with the resolution of the Board of Directors, and the difference of the compensation of directors was adjusted in the 2020.

5.1.9 Status of the Company repurchasing its own shares: None.

▶ 5.2 Status of issuance of corporate bonds: None.

▶ 5.3 Status of preferred shares: None.

► 5.4 Status of issuance of global depository receipts

Items	Date of issuance (handling)	March 29, 2005	
Date of issuance (handling)	March 29 2005		
Place of issuance and trading	Place of issuance: Luxembourg Trading: Luxembourg Stock Exchange		
Total amount	Approximately USD 134,666,000		
Unit issuing price	USD 8.4166		
Units issued	16,000,000 units		
Source of securities represented	Shares held by shareholders Bruce CH Cheng and Yi-Ying Hsieh		
Amount of securities represented	80,000,000 shares		
Rights and obligations of GDR holders	Same as shareholders of common stock		
Trustee	N/A		
Depository Institution	BNY Mellon		
Custodian Bank	Mega International Commercial Bank		
Outstanding balance (Note 1)	974,878.4 units		
Distribution of expenses incurred from issuance and the outstanding period of the GDRs	All expenses incurred during the GDR issuance are included in the underwriting fees and borne by the international lead underwriter. Related costs of information disclosure and other expenses are borne by the shareholders.		
Important stipulations on the depository contract and custodial agreement	The underwriting and depository contracts for the issuance of GDRs shall be governed by the laws of the U.K and the State of New York (USA). However, the approval of GDR issuance is subject to the regulations and legal restrictions set forth by the Republic of China.		
Market price per unit (Note 2)	2020	Highest	US\$46.8
		Lowest	US\$18.3
		Average	US\$29.54
	Current year to April 15, 2021	Highest	US\$56.5
		Lowest	US\$46.6
		Average	US\$51.62

Note 1: Issuance of 16,000,000 units of global depository receipts on March 29, 2005; plus 353,370.4 units of stock dividends issued on August 8, 2005, 254,559.0 units of stock dividends issued on July 19 2006, 156,112.2 units of stock dividends issued on August 15 2007, 20,564.2 units of stock dividends issued on August 15 2008 and 157,244.6 units of stock dividends issued on August 14 2009, totaling 16,941,850.4 units. As of April 15 2021, investors had redeemed a total of 37,387,191.0 units and requested for reissuance of 21,420,219.0 units; therefore there are 974,878.4 units remaining in the market.

Note 2: Source: Luxembourg Stock Exchange

► 5.5 Status of employee share subscription warrants

5.5.1 Unexpired employee subscription warrants issued by the Company in existence as of the date of publication of the annual report: None.

5.5.2 Names of top-level company executives and top ten employees holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives and employees as of the date of publication of the annual report: None.

► 5.6 Status of new restricted employee shares: None.

► 5.7 Status of issuance of new shares in connection with mergers or acquisitions: None.

► 5.8 Implementation of the capital allocation plans

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement: None.

Plans for the funds usage under the plans referred to in the preceding subparagraph have been realized for the period as of the quarter preceding the date of publication of the annual report.

6. Overview of Business Operations

► 6.1 A description of the business

6.1.1 Scope of business

Delta is dedicated to providing innovative, clean and energy-efficient solutions to create a better tomorrow. As a world-class provider of power management solutions worldwide, Delta has maintained its position as a market leader in switched-mode power supplies and thermal solutions. Since its establishment, Delta has been serving customers globally by offering professional design and efficient manufacturing processes as well as high power conversion efficiency and complete power management systems. Its key business solutions for information, communication, commercial, industrial, medical, energy-saving and renewable energy applications, power supplies, power converters, and uninterruptible power systems have been recognized and widely adopted by market leaders. Since 2010, Delta has been engaged in system integration with a component supplier and has been involved in product development, while capitalizing on its excellent capability in technology and integration. It has also provided customers with efficient solutions such as industrial automation, building automation, data center solutions, communication & power solutions, energy recycling, display & monitoring solutions, and electronics vehicle solutions in order to promote integrated energy services and improve productivity, while reducing environmental impact and encouraging customers to uphold Delta's operational concepts; namely, "To provide innovative, clean, and energy-efficient solutions for a better tomorrow". Delta's top three business areas include manufacturing and sale of "Power Electronics" including components, power and system, fans and thermal management, electronics vehicle solutions, Innergie consumer products, etc. ; "Automation" including industrial automation and building automation, etc. ; "Infrastructure" including ICT infrastructure, energy infrastructure & Industrial solutions and Vivitek, DP display solutions, etc. In 2020, the proportion of Delta's three major business areas is divided as follows: Power Electronics (55%), Automation (14.0%), and Infrastructure (31%).

In order to demonstrate its commitment to stakeholders, Delta launched the "Smarter. Greener. Together." brand campaign in 2012. The Company believes that technological innovation and collaboration can provide a clean and energy-efficient system to create a better tomorrow. It utilizes brand awareness strategies and promotional activities like advertisements, global exhibitions, dealer conferences, etc., in order to create shared value, achieve brand commitment, and expand its brand's global influence. The Delta brand has long been supported by customers, distribution partners and end users. It has also been recognized as one of Taiwan's top 20 international brands for ten consecutive years from 2011 to 2020.

New products (services) planned for development

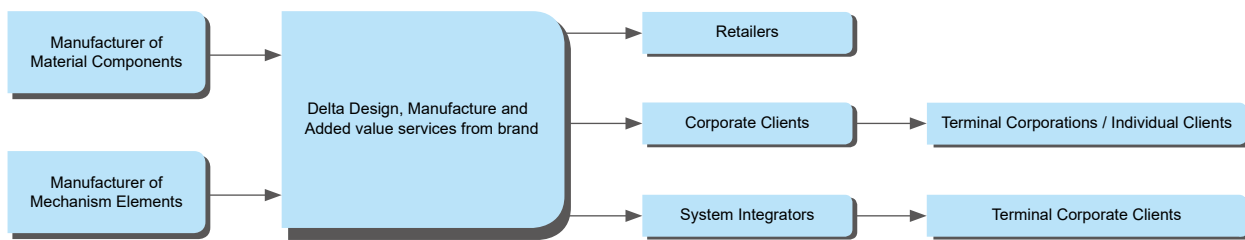
In recent years, Delta has been actively promoting comprehensive corporate transformation, from information technology and consumer electronics to industrial products, from OEM to own brand and from components and parts to system solutions. Delta allocates around 6-9% of our revenue for research and development every year for the continuous development of new products and new technologies. We hope to accelerate the transformation speed of the company and strengthen long-term competitiveness, and gain more information related to research and development and product development in response to future markets through enhancing corporate innovation capabilities continuously. For details, please refer to "Research and development work to be carried out in the future, and further expenditures expected for research and development work" in "The section on risks".

6.1.2 An analysis of the market as well as the production and marketing situation

6.1.2.1 The current status and development of the industry, the various development trends for products and competition

Delta has business operations in consumer electronics, automobile electronics, industrial automation, building automation, medical, communication, renewable energy, etc. It cannot be generalized due to the diverse industries it belongs to. In terms of global economic activities and patterns of social life, the year 2020 was a time of great uncertainty. Affected by the COVID-19 global pandemic, many countries decided to cease activities in their respective cities and close borders, as well as implement strict crowd control. Many companies faced various challenges which include but are not limited to significant decline in production, logistics, warehousing, retail and end user consumption; whether in terms of regional economics or livelihood activities, there was considerable impact particularly on governments, companies and individuals around the world. However, under the multiple impacts of the pandemic and extreme weather, Power Electronics, Automation, Infrastructure and energy-saving solutions are all products that Delta has invested for a long time and have competitive advantages in the market.

6.1.2.2 The links between the upstream, midstream, and downstream segments of the industry supply chain



6.1.3 An overview of the company's technologies and its research and development work

In terms of the new application fields, Delta has made arrangement for Internet of Things, medical technology and car markets, etc. and developed technologies such as integration of software and hardware and big data analysis. In addition, Delta has been focused on providing solutions and products with learning capabilities and plans to apply these to other fields, such as energy management, by building relevant core capabilities.

Research and development expenses in 2020: NT\$25,479,870 thousands

Research and development expenses until the lastest quarter of the annual report for 2021:NT\$6,465,750 thousands

A listing of technologies and/or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Power Electronics:

Power and System Business Group continuously developed various of high efficient, high power density, compact size and low noise AC/DC and DC/DC switching power supplies, power adapters, DC/DC converters and battery chargers which are wide used on data centers, 5G communications, networking systems, server computers, workstation computers, desktop computers, portable computers, office equipment, consumer appliances, smart home devices, video gaming, power tools and power backup equipment, etc.

For and heat conduction products, we have completed the development of various high efficiency and high reliability fan and cooling product solutions, including desktop computers, servers, laptops, data centers, cloud equipments, communication systems, game consoles, consumer products, industrial Inverter / motor driver and vehicle-mounted air-conditioning HVAC, head lamp and seat fans; heat dissipation products include heat pipes, vapor chambers, and closed / open loop controlled water cooling solutions, energy-saving smart ventilation fans, heater fans and ceiling fan for buildings.

Components BG provide effective solutions with miniaturization, high precision, high efficiency and high integration products such as Magnetic Components, Miniaturized Passive Components, Highly Integrated Power Modules/ Optical Transceiver Modules, to be used in the areas of portable devices, automotive electronics, and cloud computing, etc.

In the field of Electric Vehicle Power Electronics, the currently developing products or projects include on-board charging modules, electric distribution boxes to provide three-in-one power electronics integrated design, Bi-directional on board charging module, AC mains conversion DC to charge high-voltage batteries, DC/DC converter module. In terms of traction inverter, there are EV traction inverter, on board power converter, 3 in 1 power electronics integrated module, and 4 in 1 power electronics integrated module, EV integrated traction inverter module, 48-V mild hybrid EV integrated traction inverter module. The electric motor includes high torque density traction motor for hybrid drive system, high speed traction motor for BEV drive system, and 800V high power traction motor, etc.

Automation:

CFP2000 IP55 fan and water pump drive, MH300 compact and efficient vector control drive, IP66 high protection vector control drive, MS300 IP66 / NEMA 4X high protection vector control drive, IED-S integrated Elevator drive, AMBD magnetic bearing driver, Panel/Ethernet Power Meter, Wi-Fi Power Meter DI/DO Power Meter, Din rail meter with direct current measurement (200A), OPC UA Communication Module, Linux Standalone EtherCAT motion controller, DOP-107DV economic model with Ethernet Interface, DOP-103DQZ0 OEM 4Front designated HMIDOP-103SQ IPS economic model, HMI connect with cloud storage technology, HMI support Web API solution, Dashboard with statistics and cluster information elements, Porting library & application to CNC/IMM/PAC Linux platform, The DOP Soft programming software supports Android and iOS WYSIWYG screen design, DXMC-P 8-axis Motion Controller integrated with Panel Display, High rigidity and High ratio gearbox, ASD-E3 200V cost effective type drive ,

ASM-B3 200V 100W~3kW Servo Motor (Frame 40/60/80/130/180), 4-Axis SCARA robot Reach 600/700/800mm Max payload 12kg, 6-Axis Vertical articulated robot Reach 1100/1400mm Max payload 7kg, New generation of area sensors, Servo press S/E series, Up/down milling cutter type PCB depanelizer (PCB Router), High-speed surface - mounted device (SMD) defect detection machine, Smart machine suite - DIASudio BMS/iBEMs energy management system solutions, indoor air guaeity solutions and lighting soluutions, etc.

Infrastructure:

In the field of ICT Infrastructure, High power density 300-500kVA standalone UPS, Medium Power 20-40kVA standalone UPS, Medium Power 208V 105kVA modular UPS, Small power 120V 1-3kVA tower UPS, High power density & high efficiency 15/20kVA rack mounted UPS, Intelligent 225-500kVA power distribution system, Large Data Center Chilled Water CRAH 120/220/320kW, RowCool DXA 30KW Precision Cooling, High efficiency 57V power boost 2.5kW DC/DC converter, IP65 2kW rectifier module with parallel function, 3phase IP65 3kW rectifier module, HVDC 30kW module, Wi-Fi 6e Home Router, 1G Enterprise PoE switch, 1G/10G/25G/100G Disaggregated Cell Site Gateway (DCSG), 100G Virtual Chassis Switch, 400G Datacenter Spine-Leaf Switch, 10G/25G/100G Datacenter Spine-Leaf Switch. In the field of Energy Infrastructure and Industrial Solution, Electric vehicles AC Wallbox chargers, Portable AC cordset chargers, DC Power modules, DC charger systems, and Bi-directional charger systems, highest brightness 23,000lm 0.9”1-chip DLP WUXGA projector, highest brightness 15,000lm 0.7”1-chip DLP WUXGA projector, 3-chip DLP s2K 10,000lm D-Cinema projector, 47,000lm 3-chip DLP WUXGA projector, 5,000lm 1-chip DLP WUXGA ultra short throw projector, main stream projectors for stage and outdoor illumination applications. In addition wireless presentation systems for both Corporate and Education market segments, cloud-based digital signage management platform, DFIG wind turbine converter and full-power wind power converter, 3.3kV~11kV 36A~680A Medium Voltage Drives, etc.

6.1.4 The Company’s long- and short-term business development plans

For short-term plans, we will develop new products and devote our time and resources into the development and application of vertical integration and systematic solutions continuously. Moreover, we will strive to enhance product quality and cost control, improve on automated production, comply with advanced eco-friendly regulations, reduce product design time, reduce the period from order to delivery and expand the flexibility for global delivery.

In the long-term, we will devote our time and resources into enhancing research and development efficiency, strengthening the registration and effectiveness of patents, expanding product applications and reducing production costs. In addition, we will also exert great efforts in our fields of endeavor including car electronics, medical electronics, industrial automation, building automation, infrastructure for information and communication and infrastructure for energy, etc.

► 6.2 An analysis of the market as well as the production and marketing situation

6.2.1 Market analysis

The main clients of Delta are all international vendors. Product sales and business development are distributed all over the world. Here, the estimation of GDP for the global economy during 2020-2022 from a third-party research institute is provided for reference and a comparison is made in regional market development.

Unit: %

Real GDP YoY	2020	2021	2022
Global	-3.5%	5.5%	4.2%
US	-3.5%	5.1%	2.5%
Europe	-7.2%	4.2%	3.6%
Japan	-5.1%	3.1%	2.4%

Source: IMF

The main business of Delta can be divided into three categories: power electronics, automation and infrastructure. An overview analysis of each of these business categories is given below:

6.2.1.1. Power Electronics

Delta has been reveling in the results of business development in power electronics over the years and is the world leader in power supply, brushless DC fans, and miniaturized key components. DProsperity of electronics vehicle market in recent years has boosted up Delta's electronics vehicle business. Power Electronics business will remain an important support for Delta's business world in future.

6.2.1.2 Automation

Delta has been active in the engagement of AI production domain for years and dedicated itself to improving automation of production lines. In 2020, affected by COVID-19 global epidemic, the production base remained its basic operation even during a rare period where the resumption of work rate suffered under 40% across plants, which highlights the important of company's rapid reaction to any situation and adjustments on production lines for flexible manufacture. We believe that it will speed up the steps of AI transformation among manufacturers; for building automation market, the short-term demand suspends due to effect of COVID-19; however, from a long-term view, with higher maturity of Internet of Things Technology day by day, also under the effect of countries of governments' proactive promulgation of energy efficiency policies, it will be boosted up in the future.

6.2.1.3 Infrastructure

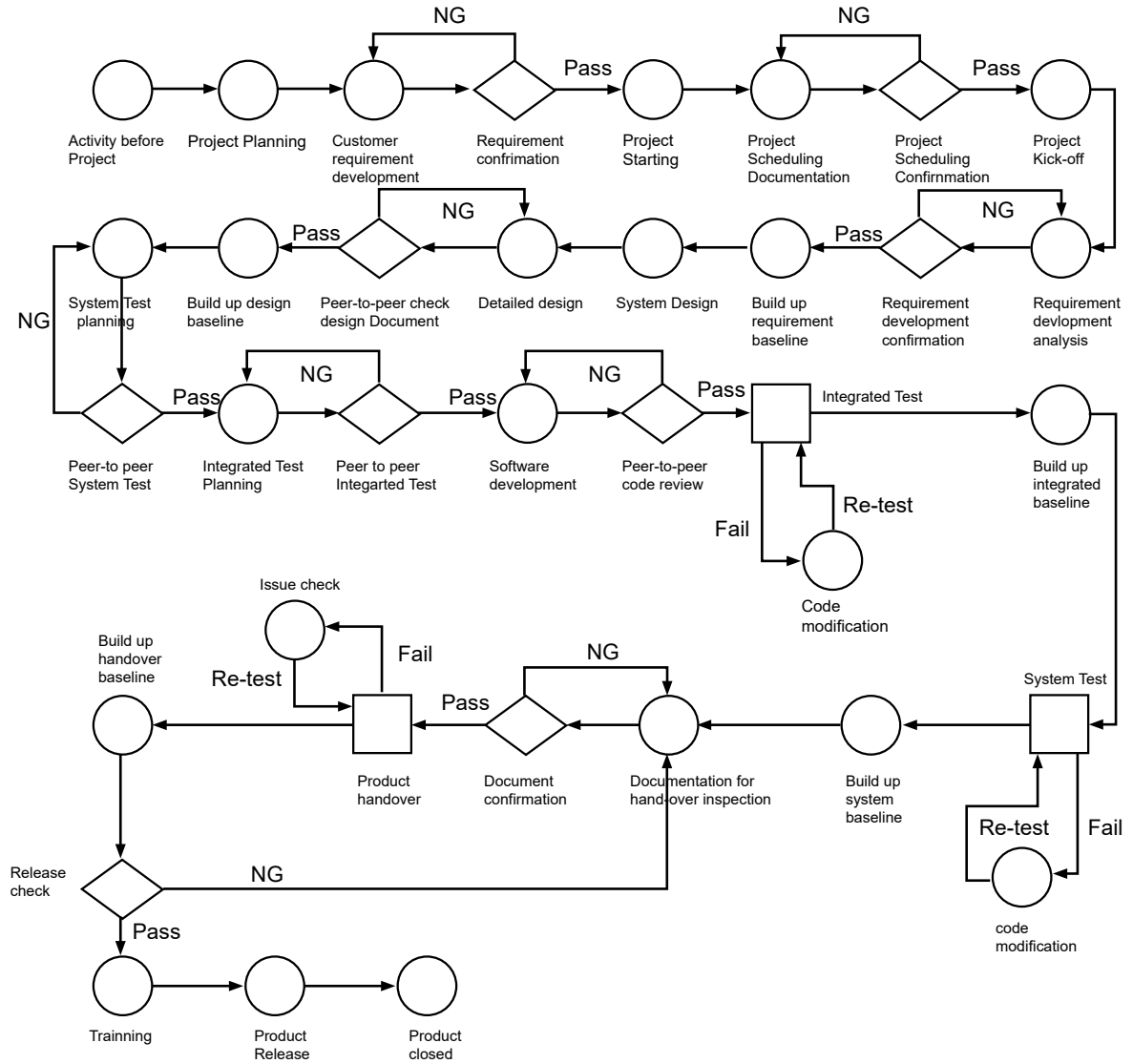
Affected by COVID-19, the progress of provisioning crowds of infrastructure globally in 2020, such as 5G Network and Rechargers for Motor Cars etc. was sluggish and lagged compared to that of original plan. However, on this moment of lots of social and business activities go online, corporate boosts up digital steps and the degree of relying on data centers rises up ceaselessly across industries, the important of data center also is highlighted more; what is more, with population growth and industrial development, stable power supply also plays a vital role; however, traditional power by fossil fuel would mostly cause many adverse effects on environment and ecology system; hence, Delta initiates proactive overall arrangement in motor vehicle and intellectual power grid domains, expecting to keep infrastructural market going healthily and steadily in the upcoming future.

6.2.2 Usage of the Company's main products

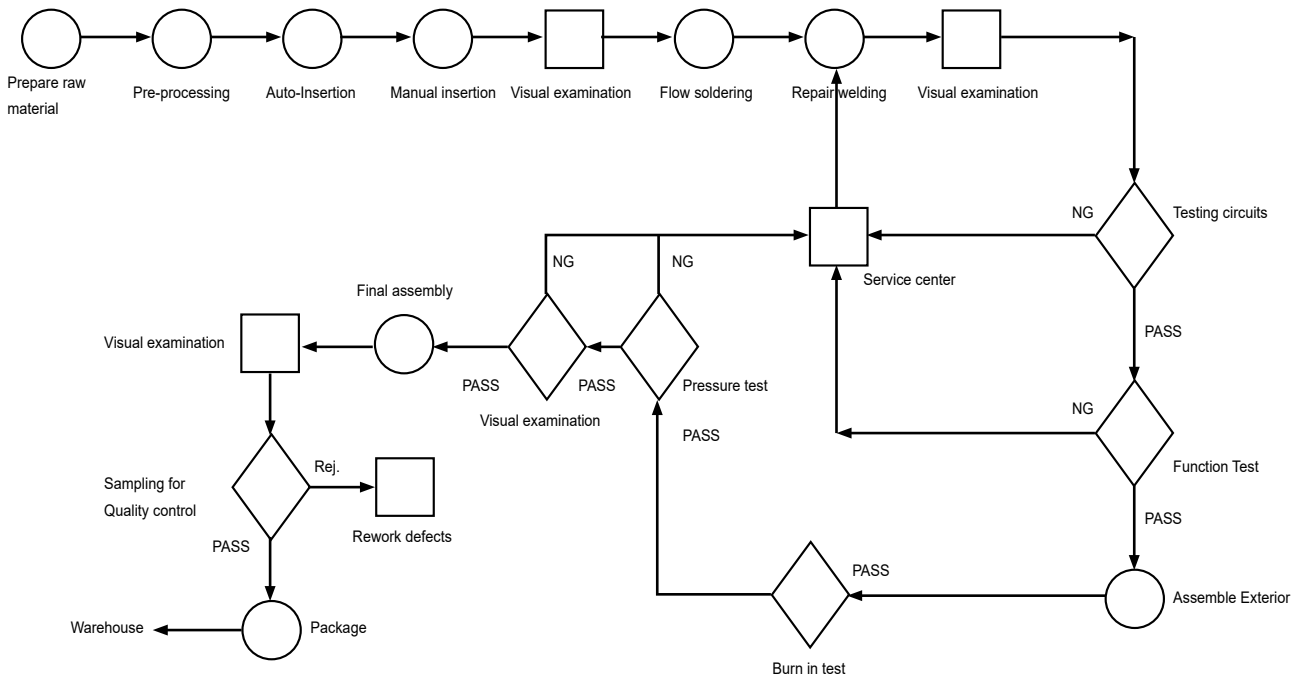
Main product	Usage
Power Electronics – Switching Power Supply	This is a device to supply power for electrical equipment by transforming AC or DC into one or multiple DC output. Its characteristics include being of small volume, lightweight and high efficiency. It can replace linear power supply gradually and become the mainstream of power supplies. Its application scope covers all kinds of information and consumer products, industrial control systems and automatic testing equipment, etc.
Power Electronics – Components	<ol style="list-style-type: none"> 1. It can be used in all kinds of inductors for AC power supply. 2. It can be used in pulse transformer and delay line for information and communication equipment. 3. It can be used in the coupling transformer for communication equipment. 4. It can be used in light transceiver module with the integration of three signals for optical fibers connecting to houses.
Power Electronics – Fan and Heat Dissipation Management	The dissipation fans and modules used in personal computers, game consoles and notebook computers, cloud equipment, communication equipment, servers, industrial equipment, cars, energy-saving smart ventilation fan for buildings and houses, heating fans, etc.
Automation – Industrial Automation	Industrial automation solutions provide the factories a set of automatic and integrated systems during the production and manufacturing processes, which can be used to automate production processes and procedures.
Automation – Building Automation	Delta Energy Online – Cloud Version is a set of comprehensive cloud energy analysis platforms, which can present energy consumption and environment collection data by graphics and analysis reports and provide the users with real-time, reliable and stable energy consumption volume and monitoring of energy consumption index, abnormal alarming and suggestions for improvement of the operational status of the equipment, customize reports/ graphical and tabular tools. Moreover, it ensures the preservation and information security of assets containing important energy consumption data from the clients by performing big data integration on the cloud platform. Its generalization and adaptive energy management design can be applied in various scenarios, such as corporate index management for large corporate sites, energy consumption and operation analysis for the air conditioning equipment in commercial buildings, energy consumption monitoring in the public areas of community housing and the real-time production performance management for factories, etc.
Infrastructure – Information and Communication	This mainly provides telecommunication providers or data centers with complete solutions. The system includes communication power, controllers, cabinets, dissipation systems, network communication equipment, uninterrupted power systems and remote monitoring systems.
Infrastructure – Energy	<p>Solar power inverter: An inverter form transforming the variable DC voltage produced by the solar panel into AC with the main frequency, which can be used to return to the commercial power transmission system or provide electricity to the off-grid power grid.</p> <p>Wind power inverter: Wind power inverter is the major energy transformation unit for wind power generation, which is used to transform the voltage frequency and the electrical power with unstable bandwidth into stable electrical power according to the needs of the power grids.</p> <p>Charging devices for electric cars: Charging devices can be divided into two types, AC chargers and DC chargers. Both their purposes are to transmit the AC power from the charging devices into the electrical cars in DC or AC form in order to charge the power batteries on the cars.</p>

6.2.3 Manufacturing processes for the Company's main products

Development process for projects



Manufacturing process for products



6.2.4 Supply situation for the Company's major raw materials

The main materials in Delta's products come from semiconductor components, passive components, and partly mechanism elements. Delta has signed a purchase contract with its main suppliers for the component supply to ensure the stability of the cost. It also requests suppliers to plan the production needs for three months in advance based on its order forecast while keeping several weeks of stock of the said materials to ensure a sufficient supply.

6.2.5 Information on major clients/suppliers who have accounted for at least 10% of sales/procurement in either of the past two years

6.2.5.1 The list of suppliers that had provided more than 10% of total materials purchased for the Company in any of the year over the two most recent fiscal years .

The business operation and the products of Delta vary greatly therefore require a wide array of raw materials and suppliers. During the year 2019, 2020 and the first quarter of 2021, there's no supplier that had provided more than 10% of total materials purchased.

6.2.5.2 The list of buyers that contributed to more than 10% of the total sales of the Company in any of the year over the two most recent fiscal years.

The business operation and the products of Delta vary greatly from the use of power electronics, automation and infrastructure, therefore the large clientele is quite wide-spread among different industries. During the year 2019, 2020 and the first quarter of 2021, there's no buyer that had made purchases that accounted for more than 10% of the total sales of Delta.

6.2.6 An indication of the production volume and the volume of units sold for the 2 most recent fiscal years

6.2.6.1 Production volume for the last two years

Unit: capacity and quantity in thousands, amount in NT\$1,000

Production Volume Main Products (or Departments)	Year	2019			2020		
		Capacity (thousands)	Quantity (thousands)	Amount (NT\$1,000)	Capacity (thousands)	Quantity (thousands)	Amount (NT\$1,000)
Power Electronics		138,000,000	137,054,650	131,437,726	172,000,000	171,231,721	157,642,962
Automation		11,000	10,190	21,479,666	11,000	10,106	23,092,054
Infrastructure		36,000	35,428	76,589,095	41,000	40,098	68,458,235
Others		41,000	40,191	1,032,912	7,000	6,165	148,365
Total(Note 1)		138,088,000	137,140,459	230,539,398	172,059,000	172,288,090	249,341,616

Note 1: Manufacturing capacity and production volume increased by 20% in recent 2 years, mainly driven by increasing demand of NBs and servers in response of prevailing remote work and education

6.2.6.2 Volume of units sold for the last two years

Unit: quantity in thousands, amount in NT\$1,000

Volume of units sold Main Products (or Departments)	Year	2019				2020			
		Domestic Sales		Exports		Domestic Sales		Exports	
		Quantity (thousands)	Amount (NT\$1,000)	Quantity (thousands)	Amount (NT\$1,000)	Quantity (thousands)	Amount (NT\$1,000)	Quantity (thousands)	Amount (NT\$1,000)
Power Electronics		5,382,202	13,199,173	129,433,966	119,484,152	30,784,876	20,407,600	139,150,162	134,892,958
Automation		2,760	3,103,777	19,596	33,512,676	652	2,051,754	11,481	35,102,844
Infrastructure		1,345	5,799,631	48,454	87,640,466	1,946	5,765,416	47,657	79,174,683
Others		174	5,990	429,849	261,018	4	6,120	494	71,380
Total (Note 2)		5,386,481	22,108,571	129,931,865	240,898,312	30,787,478	28,230,890	139,209,794	249,241,865

Note 2: Production volume increased by 20% in recent 2 years, mainly driven by increasing demand of NBs and servers in response of prevailing remote work and education.

► **6.3 The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report**

April 28, 2021

Fiscal Year		2019	2020	January 1, 2021 to April 28, 2021 (Note)
Number of Employees	Technical staffs (Engineering)	5,352	5,587	5,599
	Management and sales staff (including production line collaboration staffs)	1,908	1,932	1,970
	Operators (including production line collaboration staffs)	1,516	1,932	1,930
	Total	8,776	9,451	9,499
Average age		37	38	38
Average years of service		7.7	8.1	8.2
Distribution of education (%)	PhD	2.0%	2.0%	2.0%
	Master	45.0%	44.9%	44.9%
	Bachelor's Degree	34.1%	34.5%	34.6%
	Senior High school	14.4%	12.3%	11.8%
	Below senior high school	3.6%	6.2%	6.7%

Note: information of current fiscal year is provided up to the date of publication of the annual report.

► **6.4 Disbursements for environmental protection**

6.4.1 List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company has not experienced any loss or imposed a fine by the environmental agencies due to environmental pollution related incidents

6.4.2 An explanation of the measures and possible disbursements

In relation to the environmental contributions of Delta, please see “Devoted to the environmental and energy savings” in Chapter Four

6.4.3 Corrective measures

In relation to the environmental contributions of Delta, please see “Devoted to the environmental and energy savings” in Chapter Four

6.4.4 Environmental-related expenditures for the next 3 years

For pollution prevention, energy saving and carbon emission reduction in factory sites, the projected major expenses on environmental protection for the next 3 fiscal years are as follows:

Units: Thousand New Taiwanese Dollars

Project items	Estimated expenses for environmental protection	Expected outcomes
Exhaust gas treatment	1,467	Maintain the operational performance of treatment facilities to properly process exhaust gas and reduce the emission of toxic components from the exhaust gas to achieve environmental protection.
Wastewater treatment	14,669	Maintain the operational performance of the wastewater treatment plant to monitor water quality of discharged wastewater and satisfy effluent standards
Waste treatment	26,496	Ensure proper treatment of production waste to reduce its impacts on the environment

Project items	Estimated expenses for environmental protection	Expected outcomes
Energy saving equipment installation	29,315	Lower the use of energy to reduce the emission of greenhouse gas
Other environmental protection expenses	17,987	Lessen environmental impacts to improve the quality of the environment

6.4.5 Information Regarding EU Restriction of Hazardous Substances (RoHS) Directive

Even before the topic of restricting the use of hazardous substances in products had attracted widespread attention, Delta sensed that environmental issues were bound to be an important future trend. To make a greater contribution to environmental protection, Delta introduced its first lead-free soldering production line in 2000 and formulated the Delta Management Standard for Environment-related Substances (10000-0162) in 2002. The management standard covers the EU RoHS Directive, recent REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), HF (Halogen Free), PFOS (Perfluorooctane sulfonic acid), and PAHs (polycyclic aromatic hydrocarbons), and is modified in accordance with the latest international developments when necessary.

In addition, Delta has taken the initiative to understand customer environmental requirements. Delta optimizes the management of environment-related substances to ensure all of its products are in full compliance with relevant regulations or requirements, including the QC080000 Hazardous Substance Process Management System and the Delta Green Product Management (GPM) information system. In addition, Delta has established management systems and standards via discussions between the materials, quality, procurement and other department personnel from each business unit and the "Environment-Related Substance Management Working Group" of major production plants.

All of Delta's production bases have installed ISO14001 environment management systems or have obtained IECQ QC080000 hazardous substance process management certification. Ensure Delta ensures that hazardous substance management practices maintain a consistent implementation standard throughout the supply chain. Delta's material system is governed by a comprehensive hazardous substance management process, in which the process and documents from material evaluation to production material number management are monitored by product life cycle management (PLM)

In line with Delta's diverse product development, Delta continues to pay attention to various regulations related to hazardous substances, such as the "Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive" (RoHS), which is the main regulation for electronic products in the European Union; the European Union's "Registration, Evaluation, Authorization and Restriction of Chemicals" (REACH); "Persistent Organic Pollutants Regulations" (POP); the automotive industry's mainstream "Global Automotive Declarable Substance List" (GADSL); the Safe Drinking Water and Toxic Enforcement Act of the United States, also known as the "California Proposition 65" (Prop65); the "Toxic Substances Control Act" (TSCA) list of the U.S. Environmental Protection Agency; to Japan's "Chemical Substances Control Law" (CSCL). We pay advance attention to these regulations, and at least one year before the implementation of the regulation, we incorporate it into our management standard and implement the introduction.

► 6.5 Labor relations

6.5.1 List any employee benefits plans, continuing education, training, retirement systems, and the status of their implementation as well as labor-management agreements, and measures for preserving employee rights and interests

6.5.1.1 Implementation of employee benefits plans

The Company is committed to prioritizing employee health and benefits by continuously providing comprehensive care for employees and promoting workplace health. Its core values are based on the 4S: Say, Stay, Strive, and Socialize, while its focus point is gradually adjusted every year through surveys on employee needs, analysis of feedback on past events and performance, and analysis of employee health check. The Company also integrates health management into health promotion resource plans. In 2020, the Company received several honors:

- (1) The first award of "CSR Outstanding Solution for Happy Enterprise Group" of Vision Magazine: The integrated "4S Happiness Plan - My Workplace, My Home" program not only establishes the system, but also fully implements it to benefit the employees.
- (2) Taoyuan City Government "Gold Medal Enterprise Excellence Award" Good Fortune Enterprise Award: Implementing the effectiveness of building a quality workplace culture.
- (3) Ministry of Education Sports Department Sports Enterprise Certification Mark: focuses on employee health, promotes many sports clubs and sports-related activities.
- (4) Health Bureau's "Safe and Secure Certified Workplace" (Taipei and Tainan plants): It is important to have a safe and secure workplace to improve work standards and to make employees feel a sense of stability and happiness.
- (5) National Health Service "Healthy Workplace Certification - Health Promotion Label" (Taoyuan and Tainan): We are actively promoting employee health related measures and activities.

Picture: 4“S” Core Values



Benefits extended by the 4S main axes are as follows:

“Say”: Multiple communication channels, improving employee recognition

- (1) Public and transparent labor-management communication channels - Set up a physical comment box and email, hold regular meetings, etc., to facilitate communication with employees.
- (2) Personal privacy protection of physical and mental counseling services. Cooperate with an external professional management consulting firm to implement EAP project, providing one-on-one employee counseling services, including psychological counseling, legal counseling, management counseling, health care, financial assistance, tax counseling and workplace care.
- (3) Internal Knowledge Platform and Expert Community (DMS) - With work and document management, expert community discussions, and cross-departmental intelligent search functions, it has significantly increased internal knowledge management capabilities, facilitated cross-departmental information exchange, and ensured smoother communication channels, and as of February 2021, 1,717 communities have been established in various units worldwide.

“Stay”: Healthy workplace, job retention and involvement

- (1) Comprehensive health management
 - a. Healthcare: The Company provides comprehensive health checks, health consultation with professional doctors, physical fitness assessment, all-inclusive gym facilities, etc.
 - b. Insurance: The Company provides group insurance for employees and family members; additional self-pay coverage options are also available.
 - c. Protection against injury and sickness: The Company covers the full amount of insurance fees for the injured or sick employees on a leave of absence in the first three months.
- (2) Work-life balance
 - a. Workplace assistance: Employee Assistance Program (EAP), assistance to new employees, thematic consultations and assistance, workplace equality sessions, etc.
 - b. Mental health and wellness: stress relief seminars, free psychological examinations, etc.
 - c. Personal days/leaves: The Company provides a better-than-regulated system for sick leaves and national working days. A tourism subsidy and golden-week holiday are given to employees as well.
 - d. Diversified services: on-site group insurance service and on-site banking services, travel week online exhibition, festivals and exhibitions, book exhibition tours, etc.
 - e. Thematic seminars: road running lecture, parenting lecture for working parents, love practice lecture, sleep and overwork lecture, new health knowledge lecture, etc.
 - f. Emergency assistance: 24-hour free consultation hotline.
 - g. Health and Lohas: healthy low GI, island walks, cycling trips, fat loss, passionate running classes, exercise and health seminars, tourism exhibitions in travel week.
- (3) Gender equality and women’s rights in the workplace
 - a. Organize a website and related courses on “Caring for working mothers and infants”. The percentage of employees who continue to work after returning from parental leave is 97%.
 - b. Conduct romance classes to help staff learn how to establish safe boundaries for love and how to listen and respond to deepen relationships .
 - c. Offer management training courses: healthy workplace and skills training for employees and occupational health nurses; legal knowledge and management skills in preventing violations for managers.

“Strive”： Team building, increasing participation rate

- (1) A variety of group activities: In response to the New Life Campaign for epidemic prevention, this year's group activities are mainly outdoor activities, hoping to increase the resistance of the staff and strengthen the body, and in response to the changes in the environment, many innovations have been made this year.
 - a. Delta Lohas Day: For the first time, a family day was held at the amusement park, allowing employees to bring their families to experience a lively and warm atmosphere. The first-ever technology-based real-life puzzle solving was used to unite team spirit, and a multi-language interface app was designed for foreign employees to use, demonstrating the concept of emphasizing the integration of multiple ethnic groups. The number of participants reached a record high of 5,128, with about 160 foreign colleagues.
 - b. Hualien Pacific Rift Valley Marathon: Delta defines 2020 as the year of health, and continues the enthusiastic response from colleagues in last year's Changhua Tianzhong Marathon by planning a series of road running activities. In July, the "Dream Talk" by polar super marathon runner Yen-Bo Chen kicked off the event, followed by the "Passionate Running Class" to teach colleagues the correct running posture and cultivate running habits, and finally the "Hualien Pacific Rift Valley Marathon Running Tour". In addition to road running, a two-day trip for parents and children was also planned. The series of activities increased the participation of road running events and expanded the participation of colleagues and their families and friends.
 - c. Island walks: In response to the epidemic, we have changed to small groups and outdoor tours. We offer weekly tours, field visits, handicraft experiences, and gate-crashing activities with professional guides, so that colleagues and friends can get to know Taiwan's culture and understand the beauty of Taiwan through walking tours.
 - d. Bicycle tour: During the first team ride, with feet, eyes, and heart, we experience the feeling of completing the challenge together with our partners, encouraging each other to cultivate a team spirit, and getting to know Taiwan again through the bicycle tour.
- (2) Various clubs: Set up a club fund to encourage employees to get involved in activities and sports clubs such as running club, volleyball club, basketball club, badminton club, etc. This year, we also held 16 ball games, which not only increase the opportunities for employees to exercise and strengthen their bodies, but also provide a channel to relieve stress after work, and create inter-departmental and inter-factory communication.

“Social”： Caring for the community

In 2020, Delta's philanthropic procurement reached one million and won the 2nd place in the Buying Power Award for Socially Innovative Enterprise Product and Service Procurement, with the following actual implementation:

(1) Support for Social Enterprise - Island Walk

There are three routes in the north and south of the island, with a total of six steps, leading colleagues on an in-depth humanistic tour:

(2) Caring for the underprivileged through employee activities:

- a. In the spirit of zero child labor and zero exploitation, the Company purchased "Tony's Lonely Chocolates" imported from the Netherlands in compliance with fair trade and distributed them on Valentine's Day, and asked mothers in the community to process them by putting on Delta's Valentine's Message stickers to actively help the disadvantaged groups.
- b. The Christmas Spread the Love program purchases Christmas cookies from Victory Kitchen, which provides employment opportunities for the physically challenged, and collaborates with four charity organizations in crafting activities to fulfill corporate social caring through activities and festivals.

- c. The Company contacted and assisted our colleagues to donate triple vouchers to the Taiwan Community Chest Foundation and received a great response from our colleagues.

6.5.1.2 Continuous education, training and development

Delta expects to see its employees attain professional growth and contribute to the Company's success. The Company has been investing more resources and strengthening its development mechanism while expanding internal learning channels. Delta encourages employees to actively take courses through different training sessions. After receiving the National Talent Development Award in 2018, Delta was nominated for the HR Distinction Award in 2019, and awarded Taiwan Corporate Sustainability Awards in 2020.

Delta is proactively transforming from an OEM manufacturer to a business brand and solution provider. In order for its skilled personnel to access learning and development resources while working towards organizational expansion, transformation, and technology improvement, Delta has successfully helped its employees improve their capabilities through "Evaluation and Cultivation of Highly Skilled Personnel", "Focused Training in Solution Business for Young Talents", and "three major strategies in focused training.

- (1) Continuous investment in employees' professional development: The total training expense reached 8.45 million in 2020, the decline compared with 2019 was mainly due to Covid-19 that decreased external training sessions. In order for employees to effectively maintain self-learning, the Company increased internal training sessions and aggressively implemented online training resources. As a result, employees' overall online training hours increased by 42% compared with 2019.
- (2) Three major strategies in focused training: Delta has classified its company strategies into three learning points: "leadership", "technology", and "business branding". The Company has formed an occupational committee to clearly define the roles, responsibilities and qualifications for each position so that the training and development system can be properly developed.
 - a. Leadership: promote Delta's management philosophy worldwide as well as six major management functions and development, and 14 management requirements; a Delta exclusive course was designed by top managers along with external consultants through a case study. According to internal "Instructor Management Guidebook", high-level management are required to share their expertise at least once a year through online or physical training course.
 - b. Technology: specify skill requirements for each position and hire internal and external experts or professors to conduct lectures about technology in power electronics, mechanism design, software and firmware design, and quality management to help R&D employees improve their professional skills.
 - c. Business branding: achieve knowledge transformation through a series of marketing, sales, contractual and communication training courses. Set up global training map with sales opportunity analysis, sales and marketing visits and persuasion as basic training courses; focusing on sales and marketing plans and solutions, customer / channel management, and negotiating capabilities as advanced training courses. Coupled with internal information management platform, employees in different departments are able to learn product information, get familiar with products in different application areas, and increase effective design solution capabilities.
- (3) Provide diversified self-learning resources: Delta provides physical and online learning resources that are diversified and flexible through its website according to the needs of its employees.
 - a. Technical conference: invite local and international scholars for discussions and technology exchange with employees.
 - b. Online learning platform: build a global learning platform (i.e., Delta Academy), which combines domestic and international masters' management courses and self-directed online learning; over

1,500 courses are offered globally.

- c. Knowledge sharing platform: create an internal knowledge platform and Delta Management System (DMS) including data storage, file management, expert community, and smart lookup function; have significantly improved the internal management ability of knowledge, cross-department information exchange, and better communication channels.
- d. Professional learning sources: integrate external open learning resources from universities, DeltaMOOCx, historical Delta course materials and expert community while setting up 6 professional learning sources to allow easy access to professional development for employees.
- e. External learning resources: Delta covers all training and course fees for employees, enabling them to undergo external training so as to acquire knowledge from external sources.

(4) Improve training quality: Delta continues to strengthen and integrate training resources to improve both quality and quantity of training sessions.

- a. Training sessions, total training hours per individual for internal training sessions and average training hours per individual slightly declined in 2020 due to increasing number of employees.

Year	Amount of training sessions (internal sessions)	Amount of trained individuals (internal sessions)	Amount of trained individuals (external sessions)	Average training hours per person	Total cost of training sessions(NT\$)
2020	1,583	121,105	6,730	13.32	8.45 million
2019	1202	114,238	12,518	13.62	16.83 million
2018	1076	111,607	10,713	14.91	13.79 million
2017	746	83,505	9,560	14.79	13.31 million

(5) Succession plan for top management: Holding regular discussions for talent selection, development planning and succession review of senior executives (including CEO and COO) through Executive Meetings, attended by the chairman, vice chairman, CEO, and COO. Since 2008, the Company has launched a key talent development plan with the establishment of the "Leadership Development Committee (LDC). Through regular meetings held twice a year, the Company passes resolutions for talent selection, promotion decisions, job rotations and career development plans with respect to senior management succession and confirms the full implementation of resolutions. CEO, COO and general managers of the business groups with great performance are also in the list of consideration for the succession plan of the board members.

In addition, each business group and region has established a "Talent Development Committee (TDC)" in which top executives of every business group along with HR partners and high-level managers in each unit discuss and decide on the method of developing talents. A variety of training methods for LDC succession planning is provided, which include high-level assessment through one-on-one feedback delivered by external consultants and mentoring provided by Senior supervisors. In 2020, Delta selected dozens of young talents to provide development activities for Solution Business. This year, through the Shadowing/Coaching Program, these key talents are allowed to participate in solution business projects that they have not been exposed to before, and senior experts are arranged to provide close guidance to accelerate the transformation of the Company through "training", "experiencing" and "struggling". By the end of 2020, about 26% of the talents have changed their positions and rotated from their original job to the solution business team.

For key, high-potential, and emerging talents, Delta will continue to provide 360-degree assessment and feedback, internationally certified leadership assessments, global leadership camps, strategic focus competency enhancement courses, and online training programs according to the plan. In addition, major tasks and job rotation are carried out to increase experience which accelerates development. There is corresponding improvement in the readiness of key talents and succession is given priority to relevant position vacancies.

3. Implementation of the retirement system

- (1) The Company's retirement system is specified in the employee work rules and regulations, and is approved by the local authorities and announced to employees.
- (2) The criteria for retirement application and payment are based on the "Labor Standards Act" and "Labor Pension Act". The Company will withdraw 2% of the monthly salaries and wages from the pension reserve/special account of employees who qualify as retirees and seniors under the Labor Standards Act. The Company will also withdraw 6% of the total salaries and wages based on the "Monthly Contribution and Wages Classification of Labor Pension" from employees' individual pension accounts. Employees who were hired beginning July 1, 2005 shall be covered under the "Labor Pension Act". Employees who were hired after July 1, 2005 may choose the retirement system covered by either the "Labor Standards Act" or the "Labor Pension Act" within 5 years. If an employee fails to make a decision before the deadline, the retirement system under the "Labor Standards Act" shall remain effective. As for overseas subsidiaries, the pension system is a defined contribution plan which allows withdrawal of funds on a monthly basis to be used for retirement, medical, and other social security benefits according to local government regulations.
- (3) The Company has appointed an actuary to provide details regarding the labor pension reserve fund in the actuarial report every year. By the end of each fiscal year, an estimated balance of labor pension reserve fund will be calculated. If the balance is insufficient to pay employees who are expected to retire in the next fiscal year, the Company will compensate for the difference and deposit the amount of difference to the special trust account in the Bank of Taiwan by the end of March next year.

Criteria for retirement application:

Voluntary retirement: (The same regulations apply to employees subject to the Labor Pension Act.)

- a. The employee attains the age of 55 and has worked for 15 years.
- b. The employee has worked for more than 25 years.
- c. The employee attains the age of 60 and has worked for 10 years.

Compulsory retirement:

- a. The employee attains the age of 65.
- b. The employee is unable to perform his/ her duties due to disability.

Criteria for payment of workers' pension:

Qualified employees under the Labor Standards Act:

- a. 2 paying periods is given for each full year of service rendered, and 1 base paying period is given for the remainders that are over 15 years for each full year of service rendered. The total number of paying periods shall be no more than 45. The length of service rendered is calculated based on half a year if less than 6 months and 1 year if more than 6 months.
- b. An additional 20% on top of the amount mentioned in the preceding subparagraph shall be given to workers who are forced to retire due to disability caused by performance of duty. The retirement pension specified in Subparagraph 1 of the preceding paragraph shall be equivalent to an employee's average monthly wage when the retirement is approved.

Qualified employees under the Labor Pension Act:

The service period for employees covered under the Labor Standards Act shall be retained. Until the above criteria for retirement is met based on the total years of service rendered, the pension shall be paid according to the retained service period.

Retirement application procedure and pension payment:

Employees who have met the above criteria for retirement should fill out an application form and obtain approval before undergoing the retirement procedure. The Company shall pay the pension within 30 days from the date of employees' retirement.

6.5.1.4 Working environment and employee safety protection measures

Delta considers the importance of providing a safe and healthy workplace as one of its basic corporate social responsibility. The Company has formed occupational safety and health management units and personnels, and has established workplace safety and health protocols according to the Occupational Safety and Health Act and operational status of its factories. By implementing construction control and varieties of management, daily checks and cross-check between factories, training and promotional campaign for workplace safety and health, operational environment monitoring, employee health checks, health management and improvement of information exchange, there have been systematic improvements in workplace safety and health performance. Since 2006 when Delta's new office buildings and factories were built, safety has been considered the first priority for the design. The buildings were also constructed by green building techniques aimed at creating "ecological, energy-saving, waste-reducing and healthy" workplaces. Delta's major manufacturing plants in Taiwan, China, and Thailand have passed occupational safety and health standard ISO 45001 certification. Taiwan Taoyuan Plant 1, 2, 3, 5 and Tainan plant also passed the Taiwan CNS 45001 TOSHMS certification.

6.5.1.5 Human rights and employee policy, employee code of conduct

Human Rights Policy: Human rights are deeply rooted in our values and applied in full scope of our operation. Delta adheres to international labor and human rights standards stated in "The UN Global Compact", "Universal Declaration of Human Rights", "UN Guiding Principles on Business and Human Rights", "The OECD Guidelines for Multinational Enterprises", "Social Accountability International", "Responsible Business Alliance (RBA)", and local operating guidelines in amending its human rights and employee policies in 2019 to reflect the value of international human rights. It develops RBA digital learning material to promote the standard of labor rights, ethics, health, environment, and management system.

Human Rights Principles: (1). Diversity and anti-discrimination, (2). Work hours, wages, and benefits, (3). Employment freedom, (4). Anti-forced labor and human trafficking, (5). Anti-child labor and employment of minors to perform jobs that endanger health and safety, (6). Humane treatment, (7). Freedom of association, (8). Workplace health and safety, (9). Ethics, (10). Value chain responsibility.

Specific Management Plan:

- (1). To implement internal review mechanisms of human rights, an annual internal evaluation and external audit are conducted. Mitigation measures are adopted based on the risk assessment. In areas such as labor, ethical regulations, and management systems, improvements will be made for deficiencies found in internal reviews to ensure the Company complies with the local laws and regulations and international standards.
- (2). The Company sets the highest standard for itself and its suppliers. It follows the RBA code of conduct in a standard beyond industrial expectations, and conducts training courses for its suppliers from time to time to improve the suppliers' employees' lives and further improve Delta factory and suppliers' performance in social and environmental responsibilities. A "Delta Integrity Commitment" is required from all qualified suppliers. Propaganda of Delta's anti-corruption policy and training are conducted via email and purchasing platform. A supply chain ESG Committee is established to effectively promote sustainable management of the supply chain and integrate Delta's global purchasing systems. Regular committee meetings are held for project discussion and review.
- (3). To ensure the policy is followed, formal reporting channels are established for employees, Delta suppliers, and other external stakeholders to report illegal behavior and violations of human rights, code of conduct, as well as operation integrity.
- (4). In order to let every Delta member understand the human rights policy, there will be a training for all new employees. The number of participants in the human rights policy training in 2020 reached 9,322 with the completion rate of 97.2%.

Employee Code of Conduct

In order to provide better performance and more comprehensive products for our clients, Delta strictly follows legal and moral codes in maintaining company assets, rights and its image to ensure its sustainable operations and development. "Delta employee code of conduct" was amended in 2019 and applied to all members of Delta Electronics Inc., its affiliates, and subsidiaries including managers and employees. The number of participants in the related code of conduct training courses in 2020 reached 9,177 with completion rate of 95.7%.

Code of Conduct:

(1). "Applicable personnels and basic behavior requirements", (2). "Avoiding conflict of interest", (3). "Receiving gifts and services", (4). "Business integrity", (5). "Business activity with integrity", (6). "Political donations, political participation and charitable donations", (7). "Insider trading", (8). "Fair competition", (9). "Trade secrets, intellectual property rights, and confidential information", (10). "Respect for personal privacy", (11). "Diversity, equal opportunity for employment, and respect", (12). "Anti-discrimination and harassment", (13). "Safe and healthy workplace", (14). " Usage of company resources", (15). "Compliance with environmental protection policies", (16). "Educational training, promotion, disciplinary procedures and communication channel.

6.5.2 List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company expects employees to live by the corporate culture of "innovation, customer satisfaction, agility, cooperation, and quality". It maintains a good relationship with its workforce and complies with labor regulations. As a result, the Company did not violate Labor Standards Act and hence suffered no losses due to labor disputes in 2020.

▶ 6.6 Important contracts

Nature of the Contracts	Contracting Parties	Commencement and Expiration Dates	Major Content	Restrictive Clauses
Construction Contract	Hang Lei Design System Engineering Co., Ltd.	From July 20, 2020 to September 20, 2020	Fine decoration engineering, Office building of Central Taiwan Science Park Plant 1	None
Construction Contract	Hang Lei Design System Engineering Co., Ltd.	From May 18, 2020 to August 18, 2020	Fine decoration engineering, entire region of 8 th Floor, Chungli Plant 5	None
Construction Contract	Hang Lei Design System Engineering Co., Ltd.	From July 20, 2020 to September 20, 2020	Fine decoration engineering, staff cafeteria and managers' offices, Chungli Plant 5	None
Customer Contract	Ruckus Wireless, Inc.	From August 31, 2020 to completion date of the cooperation plan	Delta developed and supplied switch to Ruckus Wireless, Inc.	None
Construction Contract	Toppal Engineering Co., Ltd	From July 17, 2020 to the completion of the contract	Delta outsourced Toppal with the expansion engineering of the drying room	None
Construction Contract	TAI ENERGY CO., LTD.	From May 15, 2020 to the completion of the contract	Delta outsourced TAI ENERGY with the setting up of solar photovoltaic system	None
Purchase Contract	YOTTA INFORMATION TECHNOLOGY INC.	From August 19, 2020 to the completion of the contract	Delta acquired equipment from YOTTA	None
Construction Contract	PENTA PLUS INDUSTRIES CO., LTD.	From March 19, 2020 to the completion of the engineering by June 17, 2020	Development of Tainan Spring Landmark Plaza - setting up LED panel and display system	None
Construction Contract	Hwa Chu Engineering Co., Ltd.	From October 28, 2020 to the completion of the engineering	Roof lights display engineering for urban renewal and new construction Chonghsiao & Zhengyi	None
Construction Contract	TA CHEN CONSTRUCTION & ENGINEERING CORP.	From May 4, 2020 to the completion of the engineering by June 30, 2020	Development of Tainan Spring Landmark Plaza - setting up LED panel and display system	None
Construction Contract	AD ENGINEERING CORPORATION	From December 4, 2020 to expiration of warranty period	Delta outsourced AD ENGINEERING with Secondary distribution engineering mechanical and electrical engineering, Chungli Plant 5	None
Construction Contract	LI JIN ENGINEERING CO., LTD.	From April 10, 2020 to Expiration of Warranty Period	Delta commissioned LI J IN as the contractor for construction project of building in Neihu (civil engineering)	None
Development Contract	Industrial Technology Research Institute (ITRI)	From October 1, 2020 to March 31, 2022	Delta and ITRI established a joint research plan for SiC power module used for vehicles with high power density and low energy consumption	None
Construction Contract	TAIWAN SHIN KONG SECURITY CO., LTD	From July 1, 2019 to the completion of the contract on June 30, 2021	Delta contracted for additional construction to BA, new construction at Base C of oil depot, Banchiao Dist., New Taipei City	None
Development Contract	National Taiwan University of Science and Technology (NTUST)	From June 1, 2020 to May 31, 2023	Delta and NTUST established joint research center for a development project on advanced power electronic technologies	None
Development Contract	National Cheng Kung University (NCKU)	From April 1, 2020 to December 31, 2020	Delta and NCKU cooperate on a research and development of Microgrid and coordination control	None

7. Financial Highlights and Analysis

■ 7.1 Financial statement for the most recent fiscal year

**DELTA ELECTRONICS, INC. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2020 AND 2019

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group 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 Group’s 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 Group's 2020 consolidated financial statements are stated as follows:

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

Description

In June 2019, the Group acquired 100% of Amerlux, LLC. The allocation of the acquisition price was completed in the second quarter of 2020. The value of intangible assets, inclusive of goodwill and identifiable intangible assets-premium on customer relationship, etc., acquired from the merger is significant. The merger was accounted for in accordance with IFRS 3, "Business Combination". For details of purchase price allocation, refer to Note 6(31).

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

How our audit addressed the matter

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

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

Impairment assessment of goodwill

Description

As at December 31, 2020, the recognised goodwill as a result of the acquisitions of Cyntec Co., Ltd., Eltek AS, Delta Controls Inc., Delta Greentech (China) Co., Ltd., Amerlux, LLC and Loy Tec electronics GmbH amounted to NT\$15,532,478 thousand, constituting 4.62% of the consolidated total assets. Refer to Notes 5(2) and 6(12) for details.

As the balance of goodwill acquired from the merger is material, the valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves the significant accounting estimates and prediction of future cash flows. Thus, we consider the impairment

assessment of goodwill a key audit matter.

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the consolidated financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$64,807,490 thousand and NT\$56,952,036 thousand, constituting 19.26% and 18.31% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and the operating revenue amounted to NT\$63,667,883 thousand and NT\$45,582,501 thousand, constituting 22.53% and 17.00% of the consolidated total operating revenue for the years then ended, respectively. The balance of investments accounted for under the equity method amounted to NT\$0, constituting 0% of the consolidated total assets as at December 31, 2020 and 2019, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$0 and NT\$429,060 thousand, constituting 0% and 1.80% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Delta Electronics, Inc. as at and for the years ended December 31,

2020 and 2019.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group 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 Group’s financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated 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 consolidated financial statements of Delta Electronics, Inc. and subsidiaries as at and for the year ended December 31, 2020 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$28.095 to US\$1.00 at December 31, 2020. This basis of translation is not in accordance with International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the FSC.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2019
Current assets				
Cash and cash equivalents	6(1)	\$ 2,089,766	\$ 58,711,985	\$ 43,960,001
Financial assets at fair value through profit or loss - current	6(2)	37,777	1,061,343	1,122,458
Financial assets at fair value through other comprehensive income - current	6(3)	-	-	319,823
Contract assets - current	6(21)	77,261	2,170,634	1,087,489
Notes receivable, net	6(5)	132,892	3,733,595	3,816,628
Accounts receivable, net	6(5)	2,106,333	59,177,433	52,955,106
Accounts receivable - related parties	7	1,505	42,284	263,644
Other receivables	7	64,193	1,803,498	1,480,157
Current income tax assets		12,980	364,666	372,654
Inventories	6(7)	1,597,773	44,889,429	39,316,423
Prepayments		77,281	2,171,217	2,400,734
Other current assets	8	27,078	760,771	463,074
Total current assets		<u>6,224,839</u>	<u>174,886,855</u>	<u>147,558,191</u>
Non-current assets				
Financial assets at fair value through profit or loss - non-current	6(2)	104,723	2,942,196	2,225,239
Financial assets at fair value through other comprehensive income - non-current	6(3)	68,613	1,927,683	1,797,301
Contract assets - non-current	6(21)	18,749	526,766	304,338
Investments accounted for under the equity method	6(8)	27,941	785,002	1,138,920
Property, plant and equipment	6(9) and 8	2,436,091	68,441,975	63,590,981
Right-of-use assets	6(10)	107,519	3,020,746	3,113,833
Investment property, net	6(11)	501	14,070	14,070
Intangible assets	6(12)	2,685,874	75,459,630	82,432,653
Deferred income tax assets	6(28)	230,351	6,471,705	6,679,405
Other non-current assets	6(5)(13) and 8	69,037	1,939,587	2,182,359
Total non-current assets		<u>5,749,399</u>	<u>161,529,360</u>	<u>163,479,099</u>
Total assets		<u>\$ 11,974,238</u>	<u>\$ 336,416,215</u>	<u>\$ 311,037,290</u>

(Continued)

DELTA ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF DOLLARS)

Liabilities and Equity	Notes	US Dollars	New Taiwan Dollars	
		December 31, 2020	December 31, 2020	December 31, 2019
Current liabilities				
Short-term borrowings	6(14)	\$ 71,242	\$ 2,001,532	\$ 7,575,932
Financial liabilities at fair value through profit or loss - current	6(2)	2,138	60,060	15,929
Contract liabilities - current	6(21)	178,416	5,012,589	3,352,208
Notes payable		99	2,770	21,669
Accounts payable		1,661,773	46,687,510	39,478,462
Accounts payable - related parties	7	1,055	29,641	32,197
Other payables		1,170,465	32,884,221	28,829,379
Current income tax liabilities		109,823	3,085,472	2,187,076
Other current liabilities	6(15)	151,617	4,259,706	4,233,308
Total current liabilities		3,346,628	94,023,501	85,726,160
Non-current liabilities				
Long-term borrowings	6(15)	1,399,323	39,313,990	27,748,839
Deferred income tax liabilities	6(28)	549,924	15,450,119	14,008,861
Lease liabilities - non-current		50,234	1,411,312	1,421,265
Other non-current liabilities		271,495	7,627,652	7,777,723
Total non-current liabilities		2,270,976	63,803,073	50,956,688
Total liabilities		5,617,604	157,826,574	136,682,848
Equity				
Share capital				
Common stock	6(17)	924,557	25,975,433	25,975,433
Capital surplus	6(18)			
Capital surplus		1,751,290	49,202,505	49,103,331
Retained earnings	6(19)			
Legal reserve		973,217	27,342,534	25,030,754
Special reserve		271,295	7,622,034	7,561,032
Unappropriated retained earnings		1,719,169	48,300,040	40,108,361
Other equity interest				
Other equity interest		(446,457)	(12,543,208)	(7,622,034)
Equity attributable to owners of the parent		5,193,071	145,899,338	140,156,877
Non-controlling interest	4(3) and 6(20)	1,163,563	32,690,303	34,197,565
Total equity		6,356,634	178,589,641	174,354,442
Significant contingent liabilities and unrecorded contract commitments	9			
Significant subsequent events	11			
Total liabilities and equity		\$ 11,974,238	\$ 336,416,215	\$ 311,037,290

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

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

Items	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
Operating revenue	6(21) and 7	\$ 10,058,925	\$ 282,605,493	\$ 268,131,397	
Operating costs	6(7)(26) (27) and 7	(6,954,729)	(195,393,115)	(193,635,252)	
Gross profit		<u>3,104,196</u>	<u>87,212,378</u>	<u>74,496,145</u>	
Operating expenses	6(26)(27)				
Selling expenses		(655,989)	(18,430,010)	(19,837,224)	
General and administrative expenses		(427,861)	(12,020,761)	(11,418,313)	
Research and development expenses		(906,918)	(25,479,870)	(23,887,886)	
Expected credit impairment gain	12(2)	<u>5,127</u>	<u>144,067</u>	<u>56,068</u>	
Total operating expenses		(1,985,641)	(55,786,574)	(55,087,355)	
Operating profit		<u>1,118,555</u>	<u>31,425,804</u>	<u>19,408,790</u>	
Non-operating income and expenses					
Interest income	6(22)	19,368	544,147	886,537	
Other income	6(23)	140,232	3,939,821	3,150,629	
Other gains and losses	6(12)(24)	(42,679)	(1,199,056)	(6,304,445)	
Finance costs	6(25)	(13,377)	(375,837)	(737,869)	
Share of (loss) profit of associates and joint ventures accounted for under the equity method	6(8)	(2,121)	(59,596)	(141,877)	
Total non-operating income and expenses		<u>101,423</u>	<u>2,849,479</u>	<u>9,745,619</u>	
Profit before income tax		<u>1,219,978</u>	<u>34,275,283</u>	<u>29,154,409</u>	
Income tax expense	6(28)	(245,273)	(6,890,944)	(5,226,653)	
Profit for the year		<u>\$ 974,705</u>	<u>\$ 27,384,339</u>	<u>\$ 23,927,756</u>	

(Continued)

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

Items	Notes	US Dollars		New Taiwan Dollars	
		2020	2020	2020	2019
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		(\$ 5,580)	(\$ 156,768)	(\$ 336,375)	
Unrealised gain on valuation of equity investment at fair value through other comprehensive income	6(3)	11,613	326,268	200,079	
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		-	-	16,500	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	493	13,838	6,088	
Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>6,526</u>	<u>183,338</u>	<u>(113,708)</u>	
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		(341,408)	(9,591,864)	(2,958,933)	
(Loss) gain on hedging instrument		(658)	(18,489)	2,700	
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		29	819	3,535,054	
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(28)	16,948	476,157	(527,130)	
Other comprehensive (loss) income that will be reclassified to profit or loss		<u>(325,089)</u>	<u>(9,133,377)</u>	<u>51,691</u>	
Other comprehensive loss for the year		<u>(\$ 318,563)</u>	<u>(\$ 8,950,039)</u>	<u>(\$ 62,017)</u>	
Total comprehensive income for the year		<u>\$ 656,142</u>	<u>\$ 18,434,300</u>	<u>\$ 23,865,739</u>	
Profit attributable to:					
Owners of the parent		<u>\$ 907,109</u>	<u>\$ 25,485,231</u>	<u>\$ 23,117,797</u>	
Non-controlling interest		<u>\$ 67,596</u>	<u>\$ 1,899,108</u>	<u>\$ 809,959</u>	
Comprehensive income (loss) attributable to:					
Owners of the parent		<u>\$ 665,241</u>	<u>\$ 18,689,957</u>	<u>\$ 22,165,228</u>	
Non-controlling interest		<u>(\$ 9,099)</u>	<u>(\$ 255,657)</u>	<u>\$ 1,700,511</u>	
Earnings per share					
Basic earnings per share	6(29)	<u>\$ 0.35</u>	<u>\$ 9.81</u>	<u>\$ 8.90</u>	
Diluted earnings per share	6(29)	<u>\$ 0.35</u>	<u>\$ 9.77</u>	<u>\$ 8.85</u>	

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

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

Notes	Share capital - common stock	Equity attributable to owners of the parent							Total	Non-controlling interest	Total equity
		Retained earnings			Other equity interest						
		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments			
2019 New Taiwan Dollars											
Balance at January 1, 2019	\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,160,104	(\$ 4,422,025)	(\$ 3,270,159)	\$ 131,152	\$ 130,271,159	\$ 9,189,749	\$ 139,460,908
Effects of retrospective application and retrospective restatement	-	-	-	-	1,943	-	-	-	1,943	-	1,943
Balance after retrospective restatement at January 1, 2019	\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,162,047	(\$ 4,422,025)	(\$ 3,270,159)	\$ 131,152	\$ 130,273,102	\$ 9,189,749	\$ 139,462,851
Profit for the year	-	-	-	-	23,117,797	-	-	-	23,117,797	809,959	23,927,756
Other comprehensive income (loss) for the year	-	-	-	-	(255,785)	(912,967)	200,079	16,104	(952,569)	890,552	(62,017)
Comprehensive income (loss) for the year	-	-	-	-	22,862,012	(912,967)	200,079	16,104	22,165,228	1,700,511	23,865,739
Distribution of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,819,310	-	(1,819,310)	-	-	-	-	-	-
Special reserve	-	-	-	472,889	(472,889)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)
Change in ownership interests in subsidiaries	-	34,941	-	-	-	-	-	-	34,941	-	34,941
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	671,323	-	-	-	-	-	-	671,323	(4,947,661)	(4,276,338)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	28,254,966	28,254,966
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(635,782)	-	635,782	-	-	-	-
Balance at December 31, 2019	\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	\$ 34,197,365	\$ 174,354,442
2020 New Taiwan Dollars											
Balance at January 1, 2020	\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	\$ 34,197,365	\$ 174,354,442
Profit for the year	-	-	-	-	25,485,231	-	-	-	25,485,231	1,899,108	27,384,339
Other comprehensive income (loss) for the year	-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)	(2,154,765)	(8,950,039)
Comprehensive income (loss) for the year	-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957	(255,657)	18,434,300
Distribution of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-
Special reserve	-	-	-	61,002	(61,002)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)
Changes in ownership interests in subsidiaries	-	195,879	-	-	-	-	-	-	195,879	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(96,705)	-	-	(58,953)	-	-	-	(155,658)	(243,181)	(398,839)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,008,424)	(1,008,424)
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(1,754,186)	-	1,754,186	-	-	-	-
Balance at December 31, 2020	\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 355,844)	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641

(Continued)

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

Notes	Equity attributable to owners of the parent										Total equity	
	Retained earnings					Other equity interest						
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total	Non-controlling interest		
2020 US Dollars												
Balance at January 1, 2020	\$ 924,557	\$ 1,747,760	\$ 890,933	\$ 269,124	\$ 1,427,598	(\$ 189,891)	(\$ 86,645)	\$ 5,241	\$ 4,988,677	\$ 1,217,212	\$ 6,205,889	
Profit for the year	-	-	-	-	907,109	-	-	-	907,109	67,596	974,705	
Other comprehensive income (loss) for the year	-	-	-	-	(4,269)	(248,620)	11,613	(592)	(241,868)	(76,695)	(318,563)	
Comprehensive income (loss) for the year	-	-	-	-	902,840	(248,620)	11,613	(592)	665,241	(9,099)	656,142	
Distribution of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	82,284	-	(82,284)	-	-	-	-	-	-	
Special reserve	-	-	-	2,171	(2,171)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(462,279)	-	-	-	(462,279)	-	(462,279)	
Changes in ownership interests in subsidiaries	-	6,972	-	-	-	-	-	-	6,972	-	6,972	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(3,442)	-	-	(2,098)	-	-	-	(5,540)	(8,656)	(14,196)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(35,894)	(35,894)	
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(62,437)	-	62,437	-	-	-	-	
Balance at December 31, 2020	\$ 924,557	\$ 1,751,290	\$ 973,217	\$ 271,295	\$ 1,719,169	(\$ 438,511)	(\$ 12,595)	\$ 4,649	\$ 5,193,071	\$ 1,163,563	\$ 6,356,634	

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

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

	Notes	US Dollars	New Taiwan Dollars	
		2020	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated profit before tax for the year		\$ 1,219,978	\$ 34,275,283	\$ 29,154,409
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10)(26)	427,980	12,024,107	10,912,594
Amortisation	6(12)(26)	136,894	3,846,049	3,072,851
Expected credit impairment gain	12(2)	(5,128)	(144,067)	(56,068)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	(2,545)	(71,489)	(365,965)
Interest expense	6(25)	13,377	375,837	731,745
Interest income	6(22)	(19,368)	(544,147)	(886,537)
Dividend income	6(23)	(6,769)	(190,171)	(282,302)
(Reversal of) share-based payments	6(30)	(32)	(900)	(41,176)
Share of loss (profit) of associates accounted for under the equity method	6(8)	2,121	59,596	(141,877)
Loss on disposal of property, plant and equipment	6(24)	2,404	67,529	56,441
Loss (gain) on disposal of investments	6(24)	3,405	95,654	(6,001,894)
(Reversal of) impairment loss on non-financial assets	6(24)	28,536	801,712	(90,215)
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Financial assets mandatorily measured at fair value through profit or loss		(20,380)	(572,564)	283,898
Contract assets		(46,283)	(1,300,311)	812,339
Notes receivable		2,955	83,033	274,603
Accounts receivable		(210,033)	(5,900,888)	8,306,424
Accounts receivable - related parties		7,879	221,360	2,833,432
Other receivables		(11,205)	(314,845)	(7,740)
Inventories		(191,962)	(5,393,170)	5,641,877
Prepayments		8,270	232,351	(321,976)
Other current assets		3,619	101,682	(328)
Other non-current assets		2,542	71,407	130,389
Net changes in liabilities relating to operating activities				
Contract liabilities		58,862	1,653,725	708,890
Notes payable		(673)	(18,899)	13,714
Accounts payable		238,833	6,710,023	(6,723,132)
Accounts payable - related parties		(91)	(2,556)	(2,381,143)
Other payables		144,361	4,055,801	(127,974)
Other current liabilities		1,097	30,801	(679,602)
Other non-current liabilities		70	1,974	682,490
Cash inflow generated from operations		1,788,714	50,253,917	45,590,519
Interest received		19,125	537,327	942,187
Dividends received		6,709	188,495	282,302
Interest paid		(13,411)	(376,796)	(729,218)
Income taxes paid		(133,579)	(3,752,891)	(4,175,022)
Net cash flows from operating activities		1,667,558	46,850,052	41,910,768

(Continued)

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

	Notes	US Dollars	New Taiwan Dollars	
		2020	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		\$ -	\$ -	(\$ 11,190)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	17,863	501,867	1,114,871
Proceeds from capital withdrawal liquidation of financial asset at fair value through profit or loss		158	4,444	-
Acquisition of investments accounted for under the equity method		-	-	(12,154)
Proceeds from disposal of investments accounted for under the equity method		258	7,240	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	(38,730)	(1,088,115)	(24,018,015)
Acquisition of property, plant and equipment	6(9)	(634,933)	(17,838,456)	(16,866,186)
Proceeds from disposal of property, plant and equipment		7,029	197,480	472,561
Acquisition of intangible assets	6(12)	(24,373)	(684,761)	(666,967)
Increase in other financial assets		(19,118)	(537,131)	(51,359)
Decrease (increase) in other non-current assets		11,840	332,660	(489,479)
Net cash flows used in investing activities		(680,006)	(19,104,772)	(40,527,918)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
(Decrease) increase in short-term borrowings	6(33)	(198,412)	(5,574,400)	1,316,870
Proceeds from long-term debt	6(33)	2,389,898	67,144,183	2,407,888
Repayment of long-term debt	6(33)	(1,978,874)	(55,596,451)	-
Lease principal repayment		(18,404)	(517,080)	(586,249)
Cash dividends paid	6(19)	(462,279)	(12,987,717)	(12,987,717)
Cash dividends paid to minority share interests	6(20)	(31,868)	(895,326)	(2,320,171)
Acquisition of ownership interests in subsidiaries	6(32)	(14,196)	(398,839)	(4,276,338)
Net cash flows used in financing activities		(314,135)	(8,825,630)	(16,445,717)
Effects due to changes in exchange rate		(148,342)	(4,167,666)	(595,829)
Net increase (decrease) in cash and cash equivalents		525,075	14,751,984	(15,658,696)
Cash and cash equivalents at beginning of year		1,564,691	43,960,001	59,618,697
Cash and cash equivalents at end of year		\$ 2,089,766	\$ 58,711,985	\$ 43,960,001

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

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

1. HISTORY AND ORGANIZATION

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

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

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

The above standards and interpretations have no significant impact to the Group's financial condition

and financial performance based on the Group's assessment.

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements

are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference

between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
1	Delta Electronics, Inc.	Delta International Holding Limited (DIH)	Equity investments	100	100	
2	"	Delta Networks Holding Limited (DNH)	"	100	100	
3	"	Delta Electronics (Netherlands) B.V. (DEN)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	
4	Delta Electronics, Inc. and DIH	PreOptix (Hong Kong) Co., Ltd. (PHK)	Equity investments	100	100	Note1
5	Delta Electronics, Inc.	Cyntec Co., Ltd. (Cyntec)	Research, development, manufacturing and sales of film optic-electronics devices	100	100	
6	"	DelBio Inc. (DelBio)	Manufacturing, wholesale and retail of medical equipment	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
7	Delta Electronics, Inc.	Delta Electronics Capital Company (DECC)	Equity investments	100	100	
8	"	Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Sales of electronic products	100	100	
9	"	Allied Material Technology Corp. (AMT)	Lease services, etc.	99.97	99.97	
10	Delta Electronics, Inc. and DEN/Delta Electronics, Inc., DEN, Castle Horizon Limited and Energy Dragon Global Limited	Delta America Ltd. (DAL)	Equity investments	100	100	Note 2
11	DEN	Delta Electronics (H.K.) Ltd. (DHK)	Equity investments, operations management and engineering services	100	100	
12	DIH	DEI Logistics (USA) Corp. (ALI)	Warehousing and logistics services	100	100	
13	"	Delta Electronics (Japan), Inc. (DEJ)	Sales of power products, display solution products, electronic components, industrial automation products and materials	100	100	
14	DEN	Drake Investment (HK) Limited (Drake-HK)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
15	DGSG, Drake-HK and Boom	Delta Greentech (China) Co., Ltd. (DGC)	Sales of uninterruptible power systems and others	95.91	95.91	
16	DIH	Vivitek Corporation (Vivitek)	Sales of projector products and their materials	100	100	
17	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	
18	DIH	Delta Electronics Europe Ltd. (DEU)	Repair centre and providing support services	100	100	
19	DEN	Boom Treasure Limited (Boom)	Equity investments	100	100	
20	DIH	Apex Investment (HK) Limited (Apex-HK)	"	100	100	Note 3
21	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	100	100	Note 3
22	"	Jade Investment (HK) Limited (Jade-HK)	"	100	100	Note 3
23	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	
24	"	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	100	100	
25	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
26	DHK	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	
27	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	100	100	
28	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	100	100	
29	"	Delta Electronics (Wuhu) Co., Ltd. (DWH)	Manufacturing and sales of LED light source, power supplies and others	100	100	
30	"	Delta Electronics (Chenzhou) Co., Ltd. (DCZ)	Manufacturing and sales of transformers	100	100	
31	"	Cyntec Electronics (Wuhu) Co., Ltd. (CEWH)	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique	100	-	Note 24
32	DHK and DIH	Delta Electronics International Mexico S.A. DE C.V. (DEIL-MX)	Sales of power management system of industrial automation product and telecommunications equipment	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
33	DHK	Delta Green (Tianjin) Industries Co., Ltd. (DGT)	Manufacturing and sales of transformers	100	100	
34	"	Delta Electronics (Pingtan) Co., Ltd. (Delta Pingtan)	Wholesale and retail of electronic products and energy-saving equipment	100	100	
35	DEJ	Addtron Technology (Japan), Inc. (AT Japan)	Trading of networking system and peripherals	100	100	
36	"	Delta Electronics (Korea), Inc. (Delta Korea)	Sales of power products, display solution products electronic components, industrial automation products and their materials	100	100	
37	DCZ	Chenzhou Delta Technology Co., Ltd. (CDT)	Manufacturing and sales of transformers	100	100	
38	DDG and DPEC	Delta Energy Technology (Dongguan) Co., Ltd. (DET-DG)	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	100	Note 4
39	DPEC and DGC	Delta Energy Technology (Shanghai) Co., Ltd. (DET-SH)	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
40	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	
41	DNI Cayman	Delta Networks (HK) Limited (DNHK)	"	100	100	
42	DNHK	Delta Networks (Dongguan) Ltd. (DII)	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	100	100	
43	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	
44	Fairview	Grandview Holding Ltd. (Grandview)	"	100	100	
45	Grandview	Cyntec Holding (HK) Limited. (CHK)	"	100	100	
46	"	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	
47	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	100	100	
48	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	
49	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
50	DEN	Castle Horizon Limited	Equity investments	-	100	Note 5
51	"	Energy Dragon Global Limited	"	-	100	Note 5
52	DIH	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	
53	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	
54	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	
55	"	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	
56	Delta Energy Systems (Singapore) PTE. LTD. / ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	"	100	100	Note 6
57	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	
58	"	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	
59	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	
60	Delta Electronics (Poland) Sp. z o. o. / ELTEK AS	Eltek Polska Sp. z o. o. (Eltek Polska)	"	100	51.04	Note 7 Note 8
61	ELTEK AS	ELTEK POWER FRANCE SAS	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
62	ELTEK AS	ELTEK LIMITED	Equity investments and trading	100	100	
63	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	
64	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	
65	"	ELTEK WEST AFRICA LIMITED	"	100	100	
66	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	
67	"	Delta Electronics (Sweden) AB	Sales of power supplies	100	100	Note 9
68	"	Eltek Power (UK) Ltd.	"	100	100	
69	Delta Solutions (Finland) Oy / ELTEK AS	Eltek Power Oy	Sales of power supplies and others	100	100	Note 10
70	ELTEK AS	OOO Eltek	Sales of power supplies and others and system installation	100	100	
71	"	ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	Sales of power supplies and others	-	100	Note 11
72	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	
73	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	
74	"	ELTEK POWER CO., LTD.	"	100	100	Note 12

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
75	DEIL-SG	ELTEK POWER (CAMBODIA) LTD.	Sales of power supplies and others	100	100	
76	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	Note 13
77	ELTEK LIMITED	ELTEK CVI LIMITED	Equity investments	-	100	Note 14
78	DHK	Eltek Energy Technology (Dongguan) Ltd.	Development, manufacturing and sales of intelligent power equipment and system for supporting access networking system, and manufacturing and sales of intelligent power equipment for supporting renewable energy	100	100	
79	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	
80	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	
81	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industria e Comercio S.A.	Manufacturing and sales of power supplies	100	100	
82	"	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	
83	"	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
84	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenenergy Services, S.A. de C.V.	Sales of power supplies and others	100	100	
85	"	Eltek energy International de México, S. de R.L. de C.V.	"	100	100	
86	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	
87	"	Delta Solar Solutions LLC	Equity investments	100	100	
88	Delta Electronics (Americas) Ltd.	2009 PPA LLC	Sales of power supplies	-	100	Note 15
89	Delta Solar Solutions LLC	DSS-CI LLC	Rental of solar power systems	100	100	
90	"	DSS-USF LLC	"	100	100	
91	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	100	59.03	Note 16
92	DET-SH	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
93	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	
94	Loy Tec	LOYTEC Americas, Inc.	"	-	100	Note 14
95	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	
96	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	
97	Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP. (UNICOM)	Design and sales of computers, peripherals and information system (software and hardware)	-	100	Note 17
98	UNICOM	Unicom (Nanjing) System Eng. Corp	"	-	100	Note 18
99	DIH/Delta Greentech (Netherlands) B.V. and DIH	Delta Electronics (Switzerland) AG (DECH)	Equity investments, research, development and sales of electronic products	100	100	Note 19
100	DEN/DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	Note 20
101	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	
102	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
103	DECH	Delta Electronics (Italy) S.r.l.	Sales of electronic products	100	100	
104	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	
105	"	Delta Solutions (Finland) Oy	"	100	100	
106	"	Delta Electronics Solutions (Spain) SL	"	100	100	
107	ELTEK POWER FRANCE SAS / DECH	Delta Electronics (France) SA	"	100	100	Note 21
108	Delta Electronics (Sweden) AB/DECH	Delta Energy Systems (Sweden) AB	"	100	100	Note 22
109	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	52.65	49.87	Note 23
110	Vivotek and Realwin	Vatics Inc.	Designing and sales of multimedia integrated circuits	54.41	54.41	
111	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	
112	"	Realwin Investment Inc. (Realwin)	Investment in the network communications industry	100	100	
113	"	Vivotek Netherlands B.V.	Sales service	100	100	
114	"	Vivotek (Japan) Inc.	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
115	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	
116	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	
117	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	
118	Realwin	Aetek Inc.	"	56.21	56.21	
119	"	Vivotek Middle East FZCO	"	89.99	89.99	
120	"	Lidlight Inc.	Sales of lighting equipment	51	51	
121	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	
122	Delta Electronics, Inc., DEIL-SG and DIH	Delta Electronics (Thailand) Public Company Limited (DET)	Manufacturing and exporting power supplies, other electronic parts and components	63.78	63.78	
123	DET	DET International Holding Limited	Equity investments	100	100	
124	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	
125	"	Delta Green Industrial (Thailand) Co., Ltd.	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars changer and data center	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
126	DET	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	-	Note 24
127	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	
128	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	
129	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	
130	DET International Holding Limited and Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Slovakia) s.r.o.	Manufacturing and sales of power supplies, power system and OEM power system	100	100	
131	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	
132	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	
133	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Australia) Pty. Ltd.	Marketing and sales of renewable energy products	100	100	
134	"	Delta Electronics India Pvt. Ltd.	Manufacturing and marketing of non-telecom power system and uninterruptible power supply, and sales of uninterruptible power supply	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
135	Delta Energy Systems (Singapore) Pte. Ltd.	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	
136	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	
137	"	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	51	51	
138	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	
139	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	
140	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	
141	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	
142	"	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	
143	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	
144	Amerlux, LLC	Amerlux Lighting Asia, LLC	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2020	December 31, 2019	
145	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	Equity investments	100	100	
146	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	
147	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	-	Note 24
148	Digital Projection International Ltd.	Digital Projection Holdings Ltd.	"	100	-	Note 24
149	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	-	Note 24
150	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	-	Note 24
151	DEN	Trihedral Engineering Limited (Trihedral)	Software and associated engineering services	100	-	Note 24
152	Trihedral	Trihedral Inc.	"	100	-	Note 24
153	Trihedral Inc.	Trihedral UK Limited	"	100	-	Note 24

Note 1: In 2020, PHK returned capital amounting to USD 5,250,000 and USD 8,000,000 to Delta Electronics, Inc. and DIH, respectively, due to the liquidation of the subsidiary, which is yet to be completed as at December 31, 2020.

Note 2: As described in Note 5, the investors were changed to Delta Electronics, Inc. and DEN.

Note 3: In December 2019, the company began liquidation process and was dissolved, but has not yet been completed as at December 31, 2020.

Note 4: This company had been liquidated in January 2020.

Note 5: This company had been liquidated in February 2020.

Note 6: In October 2020, ELTEK AS sold ELTEK AUSTRALIA PTY LIMITED to Delta Energy Systems (Singapore) Pte. Ltd.

Note 7: In July 2020, ELTEK AS acquired 48.96% equity interest in Eltek Polska, and the total shareholding ratio is 100%.

Note 8: In December 2020, ELTEK AS sold Eltek Polska Sp.z o.o. (Eltek Polska) to Delta Electronics (Poland) Sp.z o.o.

Note 9: Formerly named Eltek Power Sweden AB and was renamed as Delta Electronics (Sweden) AB in November 2020.

Note 10: In October 2020, ELTEK AS sold Eltek Power Oy to Delta Solutions (Finland) Oy.

Note 11: This company had been liquidated in December 2020.

Note 12: 55% of shares are held through others due to local regulations.

Note 13: 71% of shares are held through others due to local regulations.

Note 14: This company had been liquidated in September 2020.

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

Note 16: In July 2020, Cyntec acquired 43.6% equity interest in Power Forest, and the total shareholding ratio is 100%.

Note 17: Merged with the Company in December 2020.

Note 18: This company had been liquidated in October 2020.

Note 19: In October 2020, DIH acquired 49% equity interest in DECH from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.

Note 20: In October 2020, DEN acquired 49% equity interest in Delta Greentech Electronics Industry LLC from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.

Note 21: In November 2020, DECH sold Delta Electronics (France) SA to ELTEK POWER FRANCE SAS.

Note 22: In October 2020, DECH sold Delta Energy Systems (Sweden) AB to Eltek Power Sweden AB. (Renamed in November 2020, please refer to Note 9 for details.)

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

Note 24: Companies were established or acquired through merger during 2020.

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

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

E. Significant restrictions: None.

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

As at December 31, 2020 and 2019, the non-controlling interest amounted to \$32,690,303 and \$34,197,565, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2020		December 31, 2019	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,618,610	47.35%	\$ 3,932,420	50.13%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	28,697,265	36.22%	29,761,580	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET	
	December 31, 2020	December 31, 2019
Current assets	\$ 39,887,645	\$ 32,696,207
Non-current assets	58,101,498	62,551,578
Current liabilities	(16,133,275)	(10,944,593)
Non-current liabilities	(2,293,690)	(2,134,279)
Total net assets	\$ 79,562,178	\$ 82,168,913

	Vivotek	
	December 31, 2020	December 31, 2019
Current assets	\$ 3,377,240	\$ 3,106,290
Non-current assets	6,112,662	6,452,452
Current liabilities	(1,474,665)	(1,307,013)
Non-current liabilities	(372,977)	(407,284)
Total net assets	\$ 7,642,260	\$ 7,844,445

Statement of comprehensive income

	DET	
	Years ended December 31,	
	2020	2019
Revenue	\$ 59,201,254	\$ 50,644,767
Profit before income tax	5,296,072	1,754,400
Income tax expense	(194,453)	(18,852)
Profit for the year from continuing operations	5,101,619	1,735,818
Other comprehensive income (loss), net of tax	76,398	(1,006,786)
Total comprehensive income for the year	\$ 5,178,017	\$ 729,032
Comprehensive income (loss) attributable to non-controlling interest	\$ 1,885,272	(\$ 153,674)
Dividends paid to non-controlling interest	\$ 767,376	\$ 2,184,585

	Vivotek	
	Years ended December 31,	
	2020	2019
Revenue	\$ 5,544,433	\$ 6,573,617
Profit before income tax	88,666	118,133
Income tax expense	(55,329)	(66,991)
Profit for the year from continuing operations	33,337	51,142
Other comprehensive loss, net of tax	(17,700)	(9,853)
Total comprehensive income for the year	\$ 15,637	\$ 41,289
Comprehensive (loss) income attributable to non-controlling interest	(\$ 2,513)	\$ 1,442
Dividends paid to non-controlling interest	\$ 108,073	\$ 104,890

Statements of cash flows

	DET	
	Years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 6,774,586	\$ 5,112,438
Net cash used in investing activities	(3,380,819)	(4,915,661)
Net cash used in financing activities	(2,182,722)	(2,839,443)
Effect of exchange rates on cash and cash equivalents	(793,745)	280,456
Increase (decrease) in cash and cash equivalents	417,300	(2,362,210)
Cash and cash equivalents, beginning of year	12,626,085	14,877,311
Cash and cash equivalents, end of year	\$ 13,043,385	\$ 12,515,101

	Vivotek	
	Years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 501,406	\$ 810,131
Net cash used in investing activities	(26,421)	(220,047)
Net cash used in financing activities	(56,787)	(365,874)
Effect of exchange rates on cash and cash equivalents	(16,397)	(8,709)
Increase in cash and cash equivalents	401,801	215,501
Cash and cash equivalents, beginning of year	1,023,213	807,712
Cash and cash equivalents, end of year	<u>\$ 1,425,014</u>	<u>\$ 1,023,213</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's 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 re-translated 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 other 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 Group 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 Group 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.

(5) 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 twelve 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 pay off liabilities more than twelve 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 paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve 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.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) 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 Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) 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 Group 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. Financial assets at fair value through other comprehensive income 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 Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group 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.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

The Group 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 Group 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 and, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are recorded at standard cost. The cost of finished goods and work in process comprises raw materials, direct labour, other direct 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.

(13) Investments accounted for under the equity method

- A. Associates are all entities over which the Group 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 per cent 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.
- B. The Group'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 Group's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in associates' equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group'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 Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group'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 Group'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.
- F. Upon loss of significant influence over an associate, the Group 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.
- G. When the Group 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.

(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 Group 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. 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 assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' 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 Group. 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 Group 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) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 7~50 years.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Acquisition prices in the business combination are calculated by the price of acquisition plus related direct costs. Goodwill is recognised at the difference of the acquisition prices less net fair value of identifiable assets acquired. The amortisation duration of acquisition prices may not exceed one year after the acquisition.

B. 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.

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

(19) Impairment of non-financial assets

A. The Group 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 are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- 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.

(20) 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 (transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

Notes and 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, for short-term accounts payable without bearing interest, as the effect of discounting is insignificant, they are measured subsequently at original invoice amount.

(22) Financial liabilities at fair value through profit or loss

- A. Derivatives are categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) 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.

(25) Non-hedging and embedded derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(26) Hedge accounting

- A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.
- B. The Group designates the hedging relationship as follows:
 - (a) Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.
 - (b) Hedge of a net investment in a foreign operation.
- C. Cash flow hedges
 - (a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):
 - i. The cumulative gain or loss on the hedging instrument from inception of the hedge; and

- ii. The cumulative change in fair value of the hedged item from inception of the hedge.
- (b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.
- (c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
 - i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
 - ii. For cash flow hedges other than those covered by i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
 - iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

D. Hedges of a net investment in a foreign operation

- (a) It is accounted for similarly to cash flow hedges.
- (b) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss.
- (c) The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in the foreign currency translation reserve shall be reclassified from equity to profit or loss as a reclassification adjustment.

(27) Employee benefits

A. Pensions

(a) Defined contribution plan

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

(b) Defined benefit 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 Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

B. Employees', directors' and supervisors' remuneration

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

(28) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
- (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Group has the right to repurchase the stocks for a fee and cancel these stocks. No distribution rights for dividends and capital reserves before the vesting conditions are met.

(29) Income tax

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

the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) 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.

(31) Dividends

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

(32) Revenue recognition

A. Sales of goods

- (a) The Group 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 customer's 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 Group 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 Group does not adjust the transaction price to reflect the time value of money.
- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the control of goods are transferred as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Installation of software and module services

- (a) The Group 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 Group 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 Group'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 Group is entitled to collect usage-based royalty in return for licencing patented technologies and intellectual property rights to subsidiaries and associates under agreements. The Group 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 Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group 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 Group recognises expenses for the related costs for which the grants are intended to compensate. 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.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent

liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group'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. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

Investment property

The Group uses part of the property for its own use and part to earn rentals or for capital appreciation. When the portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for less than 20% of the property.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(12) for the information on goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand	\$ 5,437	\$ 6,941
Checking accounts and demand deposits	44,121,426	30,808,159
Time deposits	14,446,742	13,144,901
Cash equivalents	138,380	-
	<u>\$ 58,711,985</u>	<u>\$ 43,960,001</u>

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

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

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

<u>Asset Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 446,452	\$ 541,143
Derivatives	290,505	142,668
Hybrid instrument-Convertible bonds	47,827	87,578
	<u>784,784</u>	<u>771,389</u>
Valuation adjustment	276,559	351,069
	<u>\$ 1,061,343</u>	<u>\$ 1,122,458</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 368,048	\$ 499,290
Emerging stocks	289,600	81,000
Unlisted stocks	1,572,384	2,247,846
Hybrid instrument-Convertible bonds	974,983	-
	<u>3,205,015</u>	<u>2,828,136</u>
Valuation adjustment	(262,819)	(602,897)
	<u>\$ 2,942,196</u>	<u>\$ 2,225,239</u>
<u>Liability Items</u>		
Current items:		
Valuation adjustment of derivatives	\$ 60,060	\$ 15,929

A. The Group has recognised financial assets and liabilities at fair value through profit or loss of \$71,489 and \$365,965 for the years ended December 31, 2020 and 2019, respectively.

B. Explanations of the transactions and contract information in respect of derivative financial assets

and liabilities that the Group does not adopt hedge accounting are as follows:

Financial instruments	December 31, 2020		
	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	7,250	2020.08.24~2021.05.04
- Sell BRL / Buy USD	BRL	18,121	2020.12.04~2021.02.04
- Sell EUR / Buy NOK	EUR	9,000	2020.10.28~2021.05.06
- Sell EUR / Buy USD	EUR	39,500	2020.07.15~2021.06.02
- Sell GBP / Buy NOK	GBP	1,500	2020.12.21~2021.02.04
- Sell INR / Buy USD	INR	442,905	2020.12.16~2021.01.28
- Sell JPY / Buy USD	JPY	1,783,610	2020.07.24~2021.05.19
- Sell THB / Buy JPY	THB	26,113	2020.11.17~2021.03.26
- Sell USD / Buy JPY	USD	3,700	2020.11.30~2021.02.25
- Sell USD / Buy NOK	USD	7,000	2020.12.03~2021.04.08
- Sell USD / Buy RMB	USD	309,009	2020.10.12~2021.04.09
- Sell USD / Buy SGD	USD	26,305	2020.07.03~2021.05.03
- Sell USD / Buy THB	USD	170,000	2020.09.22~2021.04.02
- Sell USD / Buy AUD	USD	706	2020.10.29~2021.03.03
- Sell USD / Buy CZK	USD	400	2020.12.21~2021.01.21
- Sell HKD / Buy USD	HKD	90,000	2020.11.02~2021.05.04
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	13,955	2020.09.03~2021.03.04
- Sell RUB / Buy USD	RUB	74,720	2020.12.04~2021.02.04
- Sell SEK / Buy NOK	SEK	30,000	2020.12.23~2021.06.30
- Sell USD / Buy NOK	USD	2,000	2020.12.07~2021.01.06

December 31, 2019

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

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

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

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

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

Items	December 31, 2020	December 31, 2019
Current items:		
Equity instruments		
Listed stocks	\$ -	\$ 1,559,472
Valuation adjustment	-	(1,239,649)
	\$ -	\$ 319,823
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 2,301,004
Unlisted stocks	672,828	690,945
	2,281,527	2,991,949
Valuation adjustment	(353,844)	(1,194,648)
	\$ 1,927,683	\$ 1,797,301

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,927,683 and \$2,117,124 as at December 31, 2020 and 2019, respectively.
- B. For the years ended December 31, 2020 and 2019, the Group sold listed stocks whose fair value were \$501,867 and \$1,114,871, respectively, to adjust the stock position, resulting to an accumulated loss on disposal and valuation of \$1,754,186 and \$635,782, respectively.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 326,268	\$ 200,079
Cumulative loss reclassified to retained earnings due to derecognition	(\$ 1,754,186)	(\$ 635,782)

- D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,927,683 and \$2,117,124, respectively.
- E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Hedging financial assets and liabilities

A. As at December 31, 2020 and 2019, there were no financial assets and liabilities used for hedging.

B. Information on cash flow hedges and hedges of net investments in foreign operations recognised as profit or loss and other comprehensive income:

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2020	\$ -	\$ 147,256
Add: Loss on hedge effectiveness- amount recognised in other comprehensive income	-	(16,640)
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	-	-
At December 31, 2020	<u>\$ -</u>	<u>\$ 130,616</u>

	<u>Cash flow hedges</u>	<u>Hedges of net investments in foreign operations</u>
<u>Other equity</u>		
At January 1, 2019	\$ -	\$ 131,152
Add: (Loss) gain on hedge effectiveness- amount recognised in other comprehensive income	(6,124)	16,104
Less: Reclassified to profit or loss as the hedged item has affected profit or loss	6,124	-
At December 31, 2019	<u>\$ -</u>	<u>\$ 147,256</u>

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

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

(c) Hedges of net investments in foreign operations

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

(5) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 3,733,595	\$ 3,816,628
Accounts receivable	\$ 59,684,699	\$ 53,964,299
Less: Allowance for uncollectible accounts	(507,266)	(1,009,193)
	<u>\$ 59,177,433</u>	<u>\$ 52,955,106</u>
Overdue receivables (shown as other non-current assets)	\$ 354,282	\$ 213,405
Less: Allowance for uncollectible accounts	(354,282)	(213,405)
	<u>\$ -</u>	<u>\$ -</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Not past due	\$ 53,882,398	\$ 46,818,016
1 to 90 days	4,910,665	5,540,091
91 to 180 days	280,675	324,836
181 to 365 days	87,524	249,331
Over 366 days	16,171	22,832
	<u>\$ 59,177,433</u>	<u>\$ 52,955,106</u>

The above aging analysis was based on past due date.

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

C. As at December 31, 2020 and 2019, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2019, the balance of receivables from contracts with customers amounted to \$56,144,727.

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

E. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,733,595 and \$3,816,628, and accounts receivable were \$59,177,433 and \$52,955,106, respectively.

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

(6) Transfer of financial assets

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

December 31, 2020

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 14,300	\$ -	\$ 280,950	\$ -	\$ -	-

December 31, 2019

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Taishin International Bank	\$ 57,743	\$ -	\$ 299,800	\$ -	\$ -	-

(7) Inventories

December 31, 2020

	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 17,738,335	(\$ 2,591,648)	\$ 15,146,687
Work in process	5,407,195	(8,298)	5,398,897
Finished goods	27,192,237	(3,897,457)	23,294,780
Inventory in transit	1,049,065	-	1,049,065
	<u>\$ 51,386,832</u>	<u>(\$ 6,497,403)</u>	<u>\$ 44,889,429</u>

December 31, 2019

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

The Group recognised as expense or loss:

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 190,732,108	\$ 187,469,554
Loss on market value decline and obsolete and slow-moving inventories	502,171	1,794,257
Others	(654,512)	(647,439)
	<u>\$ 190,579,767</u>	<u>\$ 188,616,372</u>

(8) Investments accounted for under the equity method

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

Name of associates	December 31, 2020		December 31, 2019	
	Ownership %	Book value	Ownership %	Book value
Optovue, Inc.	29.50	\$ 728,129	29.50	\$ 842,043
Digital Projection International Ltd. (DPI)	(Note)	(Note)	41.00	240,059
Others		56,873		56,818
		<u>\$ 785,002</u>		<u>\$ 1,138,920</u>

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

B. For the years ended December 31, 2020 and 2019, the share of (loss) profit of associates were (\$59,596) and \$141,877, respectively.

C. The share of profit (loss) and other comprehensive income (loss) of DET (an associate of the Group, which was included in the Group's consolidated financial statements on April 2, 2019) for the three months ended March 31, 2019 was recognised based on the financial statements audited by other independent auditors.

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

As at December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$785,002 and \$1,138,920, respectively.

	Years ended December 31,	
	2020	2019
Loss for the year from continuing operations	(\$ 59,596)	(\$ 100,862)
Other comprehensive income, net of tax	55,073	17,156
Total comprehensive loss	<u>(\$ 4,523)</u>	<u>(\$ 83,706)</u>

E. The Group is the single largest shareholder of Optovue, Inc. with a 29.5% equity interest. Given that other top ten shareholders (non-related parties) hold more shares than the Group and there is no agreement among shareholders to consult with each other or to make decisions collectively, which indicates that the Group has no ability to direct the relevant decision of Optovue, Inc., the Group has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
<u>2020</u>							
Opening net book amount	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
Additions	102,384	353,648	4,754,048	2,247,433	1,857,628	8,523,315	17,838,456
Acquired through business combinations	-	-	-	-	53,887	-	53,887
Disposal	(9,079)	(24,193)	(125,441)	(74,671)	(31,625)	-	(265,009)
Transfer	31,021	1,138,099	1,581,636	352,929	286,109	(3,389,794)	-
Depreciation charge	-	(1,859,147)	(4,890,313)	(2,173,864)	(2,460,392)	-	(11,383,716)
Net exchange differences	(222,028)	(347,881)	(315,223)	(35,743)	(189,933)	(281,816)	(1,392,624)
Closing net book amount	\$ 14,256,154	\$ 22,459,744	\$ 13,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 68,441,975
<u>At December 31, 2020</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 45,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 153,171,008
Accumulated depreciation and impairment	(11,704)	(21,744,675)	(33,043,800)	(14,919,634)	(16,009,220)	-	(85,729,033)
	\$ 14,256,154	\$ 22,459,744	\$ 12,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 67,441,975

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2019</u>							
Cost	\$ 9,387,791	\$ 35,410,148	\$ 34,306,477	\$ 15,133,753	\$ 13,323,988	\$ 1,426,294	\$ 108,988,451
Accumulated depreciation and impairment	(12,228)	(14,756,380)	(24,800,888)	(12,254,047)	(10,736,034)	-	(62,559,577)
	<u>\$ 9,375,563</u>	<u>\$ 20,653,768</u>	<u>\$ 9,505,589</u>	<u>\$ 2,879,706</u>	<u>\$ 2,587,954</u>	<u>\$ 1,426,294</u>	<u>\$ 46,428,874</u>
<u>2019</u>							
Opening net book amount	\$ 9,375,563	\$ 20,653,768	\$ 9,505,589	\$ 2,879,706	\$ 2,587,954	\$ 1,426,294	\$ 46,428,874
Additions	2,642,719	1,013,780	4,303,311	2,225,498	2,523,680	4,157,198	16,866,186
Acquired through business combinations	1,937,962	2,891,051	2,408,419	372,027	1,190,607	1,184,235	9,984,301
Disposals	(347)	(41,898)	(280,720)	(51,258)	(154,652)	(127)	(529,002)
Transfer	-	82,483	906,706	166,922	198,636	(1,354,747)	-
Reclassifications (Note 1)	465,686	1,164,972	-	-	-	-	1,630,658
Depreciation charge	-	(1,874,482)	(4,218,490)	(1,993,308)	(2,200,977)	-	(10,287,257)
Reversal of impairment loss (Note 2)	-	86,246	2,925	-	1,044	-	90,215
Net exchange differences	(67,727)	(776,702)	(161,154)	(80,016)	165,015	327,590	(592,994)
Closing net book amount	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>At December 31, 2019</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	(11,919)	(20,256,373)	(30,637,055)	(13,726,976)	(14,772,226)	-	(79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>

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

(Note 2) For the year ended December 31, 2019, the Group recognised a reversal of impairment loss of \$90,215 for certain buildings and machinery and equipment and structures and other equipment that was assessed for reuse in the future. Such reversal of impairment loss was recognised in other operating income and expenses.

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

(10) Leasing arrangements - lessee

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,602,097	\$ 1,683,784
Buildings and structures	1,323,106	1,321,468
Transportation equipment	71,012	86,200
Other equipment	24,531	22,381
	<u>\$ 3,020,746</u>	<u>\$ 3,113,833</u>

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 47,402	\$ 49,250
Buildings and structures	504,582	476,602
Transportation equipment	78,484	90,444
Other equipment	9,923	9,041
	<u>\$ 640,391</u>	<u>\$ 625,337</u>

- C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets (excluding those acquired through business combinations) were \$459,434 and \$335,118, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 23,970	\$ 23,962
Expense on short-term lease contracts	<u>\$ 474,400</u>	<u>\$ 397,481</u>

- E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were \$1,015,450 and \$1,007,692, respectively.

F. Extension options

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

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2020 / December 31, 2020</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 479,756	\$ 4,299,554	\$ 4,779,310
Accumulated depreciation and impairment	-	(3,134,582)	(3,134,582)
	<u>\$ 479,756</u>	<u>\$ 1,164,972</u>	<u>\$ 1,644,728</u>
<u>2019</u>			
Opening net book amount	\$ 479,756	\$ 1,164,972	\$ 1,644,728
Reclassifications (Note)	(465,686)	(1,164,972)	(1,630,658)
Closing net book amount	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>
<u>At December 31, 2019</u>			
Cost	\$ 14,070	\$ -	\$ 14,070
Accumulated depreciation and impairment	-	-	-
	<u>\$ 14,070</u>	<u>\$ -</u>	<u>\$ 14,070</u>

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

- A. The Group has no direct operating expenses arising from the investment property for the years ended December 31, 2020 and 2019. Rental income from the lease of the investment property is shown below:

	Years ended December 31,	
	2020	2019
Rental income from the lease of the investment property	<u>\$ 1,289</u>	<u>\$ 6,747</u>

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

(12) Intangible assets

	Trademarks	Patents	Goodwill	Customer		Technical		Total
				Relationship	Others	Skill	Others	
<u>At January 1, 2020</u>								
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786	
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)	
<u>2020</u>	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>	
Opening net book amount	\$ 2,980,130	\$ 547,823	\$ 56,533,663	\$ 11,224,987	\$ 9,827,800	\$ 1,318,250	\$ 82,432,653	
Additions - acquired separately	-	69,252	-	-	-	615,509	684,761	
Additions - acquired through business combinations	154,346	-	807,318	186,692	186,692	814	1,335,862	
Reclassifications (Note)	-	-	(27,626)	-	-	-	(27,626)	
Amortisation	(253,418)	(158,668)	-	(1,622,151)	(1,140,201)	(671,611)	(3,846,049)	
Impairment loss	-	-	(801,712)	-	-	-	(801,712)	
Net exchange differences	(117,505)	13,975	(3,011,851)	(548,343)	(560,500)	(94,035)	(4,318,259)	
<u>Closing net book amount</u>	<u>\$ 2,763,553</u>	<u>\$ 472,382</u>	<u>\$ 53,499,792</u>	<u>\$ 9,241,185</u>	<u>\$ 8,313,791</u>	<u>\$ 1,168,927</u>	<u>\$ 75,459,630</u>	
<u>At December 31, 2020</u>								
Cost	\$ 3,943,732	\$ 1,979,798	\$ 54,297,182	\$ 17,495,795	\$ 11,376,981	\$ 4,227,079	\$ 93,320,567	
Accumulated amortisation and impairment	(1,180,179)	(1,507,416)	(797,390)	(8,254,610)	(3,063,190)	(3,058,152)	(17,860,937)	
<u>\$ 2,763,553</u>	<u>\$ 472,382</u>	<u>\$ 53,499,792</u>	<u>\$ 9,241,185</u>	<u>\$ 8,313,791</u>	<u>\$ 1,168,927</u>	<u>\$ 75,459,630</u>		

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

	Trademarks	Patents	Goodwill	Customer Relationship	Technical Skill	Others	Total
<u>At January 1, 2019</u>							
Cost	\$ 3,677,160	\$ 1,587,354	\$ 19,987,587	\$ 11,055,632	\$ 4,010,083	\$ 3,220,854	\$ 43,538,670
Accumulated amortisation and impairment	(835,968)	(1,148,612)	(7,291)	(5,629,871)	(1,082,984)	(2,205,556)	(10,910,282)
	<u>\$ 2,841,192</u>	<u>\$ 438,742</u>	<u>\$ 19,980,296</u>	<u>\$ 5,425,761</u>	<u>\$ 2,927,099</u>	<u>\$ 1,015,298</u>	<u>\$ 32,628,388</u>
<u>2019</u>							
Opening net book amount	\$ 2,841,192	\$ 438,742	\$ 19,980,296	\$ 5,425,761	\$ 2,927,099	\$ 1,015,298	\$ 32,628,388
Additions - acquired separately	-	44,596	-	-	-	622,371	666,967
Additions - acquired through business combinations	436,080	254,419	37,943,596	7,803,373	8,357,715	318,530	55,113,713
Amortisation	(232,379)	(138,311)	-	(1,376,775)	(649,386)	(676,000)	(3,072,851)
Net exchange differences	(64,763)	(51,623)	(1,390,229)	(627,372)	(807,628)	38,051	(2,903,564)
Closing net book amount	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>
<u>At December 31, 2019</u>							
Cost	\$ 4,048,477	\$ 1,834,746	\$ 56,540,954	\$ 18,231,633	\$ 11,560,170	\$ 4,199,806	\$ 96,415,786
Accumulated amortisation and impairment	(1,068,347)	(1,286,923)	(7,291)	(7,006,646)	(1,732,370)	(2,881,556)	(13,983,133)
	<u>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>

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

	Years ended December 31,	
	2020	2019
Operating costs	\$ 52,763	\$ 54,977
Selling expenses	1,883,098	1,619,163
Administrative expenses	136,049	227,735
Research and development expenses	1,774,139	1,170,976
	<u>\$ 3,846,049</u>	<u>\$ 3,072,851</u>

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



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

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

	December 31, 2020	December 31, 2019
Goodwill:		
DET	\$ 33,405,219	\$ 35,646,502
Cyntec	5,146,053	5,146,053
Eltek	4,840,681	5,165,460
Vivotek	3,232,954	3,232,954
DCI	2,330,895	2,487,284
DGC	1,614,985	1,723,340
Amerlux	1,089,838	1,189,170
Loy Tec	510,026	1,386,683
Others	1,329,141	556,217
	<u>\$ 53,499,792</u>	<u>\$ 56,533,663</u>
Trademarks:		
Automation business	\$ 691,811	\$ 691,811
Infrastructure business	386,823	386,823
	<u>\$ 1,078,634</u>	<u>\$ 1,078,634</u>

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

D. As at December 31, 2020, the Group's goodwill arose from business combinations amounting to \$53,499,792 in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies. Based on IAS 36, goodwill acquired in a business

combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows.

As for the impairment of goodwill and trademarks with indefinite useful lives, except for the goodwill of DET and Vivotek of \$36,638,173 which was evaluated by using their recoverable amount during the impairment test, the recoverable amount is the companies' fair value less costs of disposal, estimated by reference to the closing price at the balance sheet date and the fair value is classified as a level 1 fair value; goodwill and trademarks with indefinite useful lives of other companies were \$16,861,619 and \$1,078,634, respectively, and the impairment is calculated based on value in use and carrying amount of net assets of each company. The key assumptions used for value-in-use calculations are operating profit margin, growth rate and discount rate.

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

As the recoverable amount of the cash-generating unit, Loy Tec (the reportable segment is automation business), calculated using the value-in use is less than the carrying amount, the Group recognised impairment loss of \$801,712 for the goodwill for the year ended December 31, 2020. The discount rate used in calculating value-in-use was 8.89% and 9.18% on December 31, 2020 and 2019, respectively.

(13) Other non-current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for business facilities	\$ 846,839	\$ 1,101,540
Guarantee deposits paid	256,693	333,011
Other financial assets	187,257	49,505
Prepayments for long-term investments	81,059	72,259
Cash surrender value of life insurance	43,512	53,953
Others	524,227	572,091
	<u>\$ 1,939,587</u>	<u>\$ 2,182,359</u>

(14) Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Unsecured bank loans	\$ 2,001,532	\$ 7,575,932
Credit lines	<u>\$ 69,185,543</u>	<u>\$ 73,937,712</u>
Interest rate range	<u>0.39%~4.85%</u>	<u>0.40%~9.15%</u>

(15) Long-term borrowings

Type of borrowings	December 31, 2020	December 31, 2019
Credit loans	\$ 39,008,242	\$ 27,439,702
Collateral loans	353,865	374,673
	39,362,107	27,814,375
Less: Current portion (shown as other current liabilities)	(48,117)	(65,536)
	\$ 39,313,990	\$ 27,748,839
Credit lines	\$ 83,362,621	\$ 78,477,044
Interest rate range	0.31%~6.23%	0.38%~6.23%

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

B. Information in relation to the assets pledged to others as collateral for bank borrowings is provided in Note 8.

(16) Pensions

A. Defined benefit plan

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

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

- ii. Certain subsidiaries located in Mainland China maintain defined benefit retirement (resignation) plans with relative contribution scheme. The employees and the subsidiaries contribute an amount relatively based on a certain percentage of the monthly basic salary depending on the employee's position. When an employee retires or resigns, the total contribution from the employee is reimbursed based on the accumulated contribution (without interest) less withdrawals made by the employee in advance during the service period. The employee is also entitled to receive benefits calculated based on the accumulated contribution (without interest) from the related subsidiary multiplied by the approved benefit percentage for the employee's service years less withdrawals made by the employee in advance during the service period. The scheme mentioned above ceased on August 1, 2004. The amount contributed before was archived, and the payment scheme was not changed.
- iii. The subsidiaries in Thailand, Switzerland and Norway, etc. have an obligation to pay certain retirement benefits when employees retire based on labor regulations.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 7,184,319)	(\$ 6,773,098)
Fair value of plan assets	<u>3,217,532</u>	<u>2,879,342</u>
Net defined benefit liability	<u>(\$ 3,966,787)</u>	<u>(\$ 3,893,756)</u>

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

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 6,773,098)	\$ 2,879,342	(\$ 3,893,756)
Current service cost	(113,945)	-	(113,945)
Interest (expense) income	(66,649)	19,225	(47,424)
Past service cost	6,580	-	6,580
	<u>(6,947,112)</u>	<u>2,898,567</u>	<u>(4,048,545)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	82,663	82,663
Change in demographic assumptions	(18,966)	-	(18,966)
Change in financial assumptions	(203,840)	-	(203,840)
Experience adjustments	23,562	-	23,562
	<u>(199,244)</u>	<u>82,663</u>	<u>(116,581)</u>
Pension fund contribution	-	394,992	394,992
Paid pension	301,973	(189,538)	112,435
Exchange difference	(323,193)	16,956	(306,237)
Effect of business combination	(16,743)	13,892	(2,851)
Balance at December 31	<u><u>(\$ 7,184,319)</u></u>	<u><u>\$ 3,217,532</u></u>	<u><u>(\$ 3,966,787)</u></u>

2019

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 5,184,155)	\$ 2,587,234	(\$ 2,596,921)
Current service cost	(101,679)	-	(101,679)
Interest (expense) income	(84,703)	28,367	(56,336)
Past service cost	(107,552)	-	(107,552)
	<u>(5,478,089)</u>	<u>2,615,601</u>	<u>(2,862,488)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	67,663	67,663
Change in demographic assumptions	(208,978)	-	(208,978)
Change in financial assumptions	(144,134)	-	(144,134)
Experience adjustments	11,860	-	11,860
	<u>(341,252)</u>	<u>67,663</u>	<u>(273,589)</u>
Pension fund contribution	-	312,549	312,549
Paid pension	235,907	(164,580)	71,327
Exchange difference	16,925	10,989	27,914
Effect of business combination	(1,206,589)	37,120	(1,169,469)
Balance at December 31	<u>(\$ 6,773,098)</u>	<u>\$ 2,879,342</u>	<u>(\$ 3,893,756)</u>

- (d) On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette which will take effect on May 5, 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation based on the latest wage rate. This change is considered a post-employment benefits plan amendment. The Group reflected the effect of the change by recognising past service costs as expense in the income statement of the current year.
- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' 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 and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as at December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Discount rate	<u>0.18%~6.65%</u>	<u>0.25%~7.7%</u>
Future salary increases	<u>1.0%~9.0%</u>	<u>1.0%~9.0%</u>

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 is as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%~1%</u>	<u>0.25%~1%</u>	<u>0.25%~2.75%</u>	<u>0.25%~2.75%</u>
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	<u>(\$ 288,249)</u>	<u>\$ 322,744</u>	<u>\$ 229,378</u>	<u>(\$ 213,586)</u>
	<u>Discount rate</u>	<u>Future salary increases</u>		
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%~1%</u>	<u>0.25%~1%</u>	<u>0.25%~1%</u>	<u>0.25%~1%</u>
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	<u>(\$ 252,834)</u>	<u>\$ 315,692</u>	<u>\$ 187,364</u>	<u>(\$ 135,052)</u>

The sensitivity analysis above was arrived at 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.

(g) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$149,232.

(h) As at December 31, 2020, the weighted average duration of that retirement plan is 9~21 years.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company and its domestic subsidiaries for the years ended December 31, 2020 and 2019 were \$483,851 and \$465,201, respectively.
- (b) Other overseas companies have defined contribution plans in accordance with the local regulations. Other than the periodic contribution, the overseas companies have no further obligations.

(17) Share capital

- A. In accordance with the Company’s Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at December 31, 2020, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares’ equity. The main terms and conditions of the GDRs are as follows:
 - (a) Voting rights

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

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

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

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

(d) After considering the stock dividend distribution year by year, as at December 31, 2020, there were 942 thousand units outstanding, representing 4,712 thousand common shares of the Company's common stock.

(18) Capital surplus

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

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues.

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

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

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

(e) The remainder along with beginning unappropriated earnings shall be stockholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be

included in the distributable earnings.

- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

- D. The appropriations of 2019 and 2018 earnings had been approved by the shareholders during their meeting on June 10, 2020 and June 10, 2019, respectively. Details are summarised below:

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

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

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

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

(20) Non-controlling interest

	Years ended December 31,	
	2020	2019
At January 1	\$ 34,197,565	\$ 9,189,749
Share attributable to non-controlling interest:		
Profit for the year	1,899,108	809,959
Currency translation differences	(2,154,765)	890,552
Dividends paid to minority interest	(895,326)	(2,320,171)
Increase in non-controlling interest (Note 1)	-	30,575,137
Decrease in non-controlling interest (Note 2)	(356,279)	(4,947,661)
At December 31	\$ 32,690,303	\$ 34,197,565

(Note 1) The increase in non-controlling interest is mainly due to the acquisition of share capital of DET in 2019.

(Note 2) The decrease in non-controlling interest is mainly due to the acquisition of additional equity interest in Vivotek, Power Forest, Eltek Polska, Loy Tec and DIH during the years ended December 31, 2020 and 2019, respectively. Details are provided in Note 6(32).

(21) Operating revenue

	Years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 282,605,493	\$ 268,131,397

A. Disaggregation of revenue from contracts with customers

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

	Year ended December 31, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 155,421,208	\$ 38,773,146	\$ 88,188,000	\$ 223,139	\$ 282,605,493
Timing of revenue recognition					
At a point in time	155,416,602	35,658,814	82,977,247	94,991	274,147,654
Over time	4,606	3,114,332	5,210,753	128,148	8,457,839
	\$ 155,421,208	\$ 38,773,146	\$ 88,188,000	\$ 223,139	\$ 282,605,493
	Year ended December 31, 2019				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 133,069,546	\$ 37,603,452	\$ 97,083,943	\$ 374,456	\$ 268,131,397
Timing of revenue recognition					
At a point in time	132,559,649	33,396,134	91,865,775	334,732	258,156,290
Over time	509,897	4,207,318	5,218,168	39,724	9,975,107
	\$ 133,069,546	\$ 37,603,452	\$ 97,083,943	\$ 374,456	\$ 268,131,397

B. Contract assets and liabilities

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

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

	Years ended December 31,	
	2020	2019
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ 3,352,208	\$ 2,643,318
(22) <u>Interest income</u>		
	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 541,816	\$ 884,980
Other interest income	2,331	1,557
	\$ 544,147	\$ 886,537
(23) <u>Other income</u>		
	Years ended December 31,	
	2020	2019
Sample sales income	\$ 299,528	\$ 252,513
Dividend income	190,171	282,302
Testing fee income	168,577	133,634
Mold fee income	142,251	248,747
Rental income	133,521	132,678
Others	3,005,773	2,100,755
	\$ 3,939,821	\$ 3,150,629
(24) <u>Other gains and losses</u>		
	Years ended December 31,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 67,529)	(\$ 56,441)
(Loss) gain on disposal of investments (Note 1)	(95,654)	6,001,894
Net currency exchange gain	399,073	454,685
Gain on financial assets/liabilities at fair value through profit or loss	71,489	365,965
(Impairment loss) reversal of impairment loss		
Reversal of impairment loss on property, plant and equipment	-	90,215
Impairment loss on intangible assets (Note 2)	(801,712)	-
Miscellaneous disbursements	(704,723)	(551,873)
	\$ 1,199,056	\$ 6,304,445

(Note 1) The Group recognised a gain (loss) as a result of measuring at fair value its 41% and 20.93% equity interest in DPI and DET, respectively, held before the business combination. Please refer to Note 6(31) for more information.

(Note 2) Please refer to Note 6(12) for more information.

(25) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense	\$ 375,837	\$ 731,745
Loss on hedging instruments	-	6,124
	<u>\$ 375,837</u>	<u>\$ 737,869</u>

(26) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 60,812,227	\$ 55,884,650
Depreciation charges on property, plant and equipment	11,383,716	10,287,257
Depreciation charges on right-of-use assets	640,391	625,337
Amortisation charges on intangible assets	<u>3,846,049</u>	<u>3,072,851</u>
	<u>\$ 76,682,383</u>	<u>\$ 69,870,095</u>

(27) Employee benefit expense

	Years ended December 31,	
	2020	2019
Post-employment benefits		
Defined contribution plan	\$ 902,005	\$ 955,204
Defined benefit plan	<u>154,789</u>	<u>247,409</u>
	1,056,794	1,202,613
Other employee benefits	<u>59,755,433</u>	<u>54,682,037</u>
	<u>\$ 60,812,227</u>	<u>\$ 55,884,650</u>

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 1% for directors' remuneration.

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$3,181,712 and \$2,347,652, respectively; while directors' remuneration was accrued at \$42,407 and \$59,902, respectively. The aforementioned amounts were recognised in salary expenses.

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

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

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Current tax on profits for the year	\$ 4,604,570	\$ 4,263,471
Effect from Alternative Minimum Tax	12,783	9,188
Prior year income tax overestimation	(97,295)	(794,471)
Tax on undistributed surplus earnings	245,558	204,850
Total current tax	4,765,616	3,683,038
Deferred tax:		
Origination and reversal of temporary differences	2,125,328	1,543,615
	<u>\$ 6,890,944</u>	<u>\$ 5,226,653</u>

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

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

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 11,843,633	\$ 8,895,739
Effect from items disallowed by tax regulation	(2,890,671)	(2,330,177)
Effect from investment tax credits	(2,046,961)	(467,938)
Effect from taxable loss	(176,103)	(290,538)
Prior year income tax overestimation	(97,295)	(794,471)
Effect from Alternative Minimum Tax	12,783	9,188
Tax on undistributed surplus earnings	245,558	204,850
Tax expenses	<u>\$ 6,890,944</u>	<u>\$ 5,226,653</u>

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

	2020					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired through business combinations	December 31
Deferred tax assets:						
Temporary differences:						
Allowance for inventory obsolescence	\$ 784,315	(\$ 154,284)	\$ -	\$ -	\$ -	\$ 630,031
Pension liability	498,322	(42,998)	13,838	-	-	469,162
Assets impairment	183,957	(170,670)	-	-	-	13,287
Depreciation difference between tax and financial basis	1,250,770	460,044	-	-	-	1,710,814
Others	3,459,582	(203,351)	-	-	-	3,256,231
Tax losses	502,459	(110,279)	-	-	-	392,180
	<u>6,679,405</u>	<u>(221,538)</u>	<u>13,838</u>	<u>-</u>	<u>-</u>	<u>6,471,705</u>
Deferred tax liabilities:						
Temporary differences:						
Long-term equity investments	(11,272,275)	(2,120,865)	474,308	(11,811)	-	(12,930,643)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,616,724)	217,075	1,849	-	(1,814)	(2,399,614)
	<u>(14,008,861)</u>	<u>(1,903,790)</u>	<u>476,157</u>	<u>(11,811)</u>	<u>(1,814)</u>	<u>(15,450,119)</u>
	<u>\$ 7,329,456</u>	<u>\$ 2,125,328</u>	<u>\$ 489,995</u>	<u>\$ 11,811</u>	<u>\$ 1,814</u>	<u>\$ 8,978,414</u>

2019

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired through business combinations	December 31
Deferred tax assets:						
Temporary differences:						
Allowance for inventory obsolescence	\$ 571,917	\$ 212,398	\$ -	\$ -	\$ -	\$ 784,315
Pension liability	445,400	46,834	6,088	-	-	498,322
Assets impairment	200,743	(16,786)	-	-	-	183,957
Depreciation difference between tax and financial basis	1,391,168	(140,398)	-	-	-	1,250,770
Others	3,264,169	(49,482)	-	-	244,895	3,459,582
Tax losses	306,088	196,371	-	-	-	502,459
	<u>6,179,485</u>	<u>248,937</u>	<u>6,088</u>	<u>-</u>	<u>244,895</u>	<u>6,679,405</u>
Deferred tax liabilities:						
Temporary differences:						
Long-term equity investments	(9,280,608)	(1,451,256)	(540,534)	123	-	(11,272,275)
Land value increment tax	(119,862)	-	-	-	-	(119,862)
Others	(2,168,962)	(341,296)	13,404	-	(119,870)	(2,616,724)
	<u>(11,569,432)</u>	<u>(1,792,552)</u>	<u>(527,130)</u>	<u>123</u>	<u>(119,870)</u>	<u>(14,008,861)</u>
	<u>(\$ 5,389,947)</u>	<u>(\$ 1,543,615)</u>	<u>(\$ 521,042)</u>	<u>\$ 123</u>	<u>\$ 125,025</u>	<u>(\$ 7,329,456)</u>

D. Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2005-2020	\$ 4,632,444	\$ 4,585,065	\$ 4,260,124	2035
2010-2016	\$ 2,792,544	\$ 2,792,544	\$ 1,362,709	Indefinitely usable

December 31, 2019				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2004-2019	\$ 6,015,563	\$ 5,933,504	\$ 5,605,653	2035
2010-2016	\$ 3,087,022	\$ 3,087,022	\$ 1,579,274	Indefinitely usable

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	\$ 5,466,258	\$ 4,039,284

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2020 and 2019, the amounts of temporary differences unrecognised as deferred tax liabilities were \$10,443,978 and \$9,690,116, respectively.

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

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

(29) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	\$ 9.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	11,741	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 25,485,231	2,609,284	\$ 9.77
	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	\$ 8.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	13,840	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,117,797	2,611,383	\$ 8.85

(30) Share-based payment

A. For the years ended December 31, 2020 and 2019, the Group's share-based payment arrangements were as follows:

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

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

(a) Employee share options

	<u>2020</u>		<u>2019</u>	
	<u>No. of options</u>	<u>Weighted-average exercise price (in dollars)</u>	<u>No. of options</u>	<u>Weighted-average exercise price (in dollars)</u>
Options outstanding opening balance at January 1	1,672,000	\$ 15.79	1,960,000	\$ 15.72
Options forfeited	(100,000)	15.00	(227,000)	15.00
Options exercised	(690,000)	15.00	-	-
Options expired	(882,000)	16.50	(61,000)	16.50
Options outstanding at December 31	<u>-</u>	<u>\$ -</u>	<u>1,672,000</u>	<u>\$ 15.79</u>
Options exercisable at December 31	<u>-</u>	<u>\$ -</u>	<u>1,267,000</u>	<u>\$ 16.04</u>

(b) Restricted stocks to employees

	2020	2019
	No. of shares	No. of shares
January 1	798,000	345,500
Granted during the year	-	800,000
Vested during the year	(333,983)	-
Expired during the year	(90,017)	(347,500)
December 31	<u>374,000</u>	<u>798,000</u>

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

December 31, 2020: None.

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

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

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

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

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

	Years ended December 31,	
	2020	2019
Equity-settled	(\$ 900)	\$ 41,176
(31) <u>Business combinations</u>		

A. Business combinations of the Group for the years ended December 31, 2020 and 2019 are as follows:

- (a) On January 6, 2020, the Group acquired 59% of the share capital of the Group's associate, DPI, for \$250,380 and obtained control over DPI. As a result of the acquisition, the Group is expected to strengthen the product lines in projector market.
- (b) On November 3, 2020, the Group acquired 100% of the share capital of Trihedral, for \$885,725 and obtained control over Trihedral. As a result of the acquisition, the Group is expected to strength industrial automation and systems integration layout. The amortisation duration of the acquisition price for Trihedral will be completed in one year after the acquisition.
- (c) On April 2, 2019, the Group acquired 42.85% of the share capital of the Group's associate, DET, for \$36,874,645 and obtained control over DET. As a result of the acquisition, the Group is expected to decrease its risk on global trade and extend global business.
- (d) On June 1, 2019, the Group acquired 100% of the share capital of Amerlux for \$2,844,498 and obtained control over Amerlux. As a result of the acquisition, the Group is expected to improve the product mix of lighting fixtures and provide completed solutions to customers. The allocation of the acquisition price of Amerlux was completed in the second quarter of 2020, and the acquisition price decreased by \$27,626 based on the adjustment terms in the contract.

B. The following table summarises the consideration paid for the abovementioned acquired subsidiairies and the fair values of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

	<u>December 31, 2020</u>	<u>December 31, 2019</u> (Note)
Purchase consideration		
Cash	\$ 1,136,105	\$ 39,719,143
Contingent consideration	<u>125,744</u>	<u>243,422</u>
	1,261,849	39,962,565
Fair value of equity interest held before the business combination	173,132	18,057,035
Fair value of the non-controlling interest	<u>-</u>	<u>30,575,137</u>
	<u>1,434,981</u>	<u>88,594,737</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	47,990	15,701,128
Other current assets	485,917	22,719,840
Property, plant and equipment	53,887	9,984,301
Intangible assets	528,544	17,170,117
Deferred tax assets	-	244,895
Other non-current assets	23,543	281,247
Other current liabilities	(505,681)	(13,250,975)
Deferred tax liabilities	(1,814)	(119,870)
Other non-current liabilities	<u>(4,723)</u>	<u>(2,051,916)</u>
Total identifiable net assets	<u>627,663</u>	<u>50,678,767</u>
Goodwill	<u>\$ 807,318</u>	<u>\$ 37,915,970</u>

Note: Represents the amount after the allocation of acquisition price.

C. The fair values of the acquired identifiable intangible assets and goodwill of Trihedral amounting to \$373,384 and \$550,753 are provisional pending receipt of the final valuations for those assets.

D. The Group originally held 41% of share ownership in DPI and 20.93% of share ownership in DET before the business combination. (Loss) gain on remeasurement of fair value for the years ended December 31, 2020 and 2019 amounted to (\$47,636) and \$5,925,521, respectively.

E. The operating revenue included in the consolidated statement of comprehensive income since November 3, 2020 contributed by Trihedral was \$26,290. Trihedral also contributed profit before income tax amounting to \$886 over the same period. Had the company been consolidated from January 1, 2020, the consolidated statement of comprehensive income would show operating revenue of \$282,892,399 and profit before income tax of \$34,309,069.

(32) Transactions with non-controlling interest - Acquisition of additional equity interest in a subsidiary

In 2020, the Group acquired an additional equity interest of 2.78%, 43.6% and 48.96% in Vivotek, Power Forest and Eltek Polska, respectively, for a total cash consideration of \$398,839, and in 2019, the Group acquired an additional equity interest of 15% and 6% in Loy Tec and DIH for a total cash consideration of \$4,276,338. The effect of changes in interests attributable to owners of the parent for the years ended December 31, 2020 and 2019 is shown below:

	Year ended December 31, 2020			
	Vivotek	Power Forest	Eltek Polska	Total
Carrying amount of non-controlling interest acquired	\$ 80,404	\$ 107,690	\$ 55,087	\$ 243,181
Consideration paid to non-controlling interest	(177,078)	(168,227)	(53,534)	(398,839)
	<u>(\$ 96,674)</u>	<u>(\$ 60,537)</u>	<u>\$ 1,553</u>	<u>(\$ 155,658)</u>
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary	<u>(\$ 96,674)</u>	<u>(\$ 1,584)</u>	<u>\$ 1,553</u>	<u>(\$ 96,705)</u>
Unappropriated retained earnings	<u>\$ -</u>	<u>(\$ 58,953)</u>	<u>\$ -</u>	<u>(\$ 58,953)</u>

	Year ended December 31, 2019		
	Loy Tec	DIH	Total
Carrying amount of non-controlling interest acquired	\$ 369,887	\$ 4,577,774	\$ 4,947,661
Consideration paid to non-controlling interest	(372,338)	(3,904,000)	(4,276,338)
	<u>(\$ 2,451)</u>	<u>\$ 673,774</u>	<u>\$ 671,323</u>
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	<u>(\$ 2,451)</u>	<u>\$ 673,774</u>	<u>\$ 671,323</u>

(33) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2020	\$ 7,575,932	\$ 27,814,375	\$ 35,390,307
Changes in cash flow from financing activities	(5,574,400)	11,547,732	5,973,332
At December 31, 2020	<u>\$ 2,001,532</u>	<u>\$ 39,362,107</u>	<u>\$ 41,363,639</u>

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2019	\$ 6,259,062	\$ 25,406,487	\$ 31,665,549
Changes in cash flow from financing activities	1,316,870	2,407,888	3,724,758
At December 31, 2019	<u>\$ 7,575,932</u>	<u>\$ 27,814,375</u>	<u>\$ 35,390,307</u>

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

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

(2) Significant transactions and balances with related parties

A. Operating revenue

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods:		
Associates	\$ 175,080	\$ 1,973,449
Director of the Company	21,905	-
Sales of services:		
Associates	8,823	426,003
	<u>\$ 205,808</u>	<u>\$ 2,399,452</u>

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

B. Purchases of goods

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods:		
Associates	<u>\$ 78,998</u>	<u>\$ 1,515,592</u>

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receivables from related parties:		
Associates	<u>\$ 42,284</u>	<u>\$ 263,644</u>

The receivables from related parties arise mainly from sales transactions. The receivables are due 75 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Period-end balances arising from purchases of goods

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payables to related parties:		
Associates	<u>\$ 29,641</u>	<u>\$ 32,197</u>

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

E. Period-end balances arising from other transactions

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables-related parties		
Associates	\$ 199	\$ 532

The above pertain mainly to payments on behalf of others.

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 294,322	\$ 278,719
Post-employment benefits	790	920
	<u>\$ 295,112</u>	<u>\$ 279,639</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Book Value</u>		<u>Pledge purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Demand deposits and time deposits (shown as other current assets)	\$ 483,361	\$ 277,006	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	187,257	49,505	Performance bonds and custom guarantee
Property, plant and equipment	567,141	578,606	Long-term borrowings and credit line
	<u>\$ 1,237,759</u>	<u>\$ 905,117</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, 2020</u>	<u>December 31, 2019</u>
Property, plant and equipment	\$ 6,213,358	\$ 8,309,363
Costs of computer software	\$ 72,804	\$ 163,391

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Information about the appropriations of 2020 earnings of the Company is provided in Note 6(19)E.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,003,539	\$ 3,347,697
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,927,683	\$ 2,117,124
Financial assets at amortised cost		
Cash and cash equivalents	\$ 58,711,985	\$ 43,960,001
Notes receivable	3,733,595	3,816,628
Accounts receivable	59,219,717	53,218,750
Other receivables	1,803,498	1,480,157
Guarantee deposits paid	256,693	333,011
Other financial assets	863,642	326,511
	<u>\$ 124,589,130</u>	<u>\$ 103,135,058</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss	\$ <u>60,060</u>	\$ <u>15,929</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,001,532	\$ 7,575,932
Notes payable	2,770	21,669
Accounts payable	46,717,151	39,510,659
Other payables	32,884,221	28,829,379
Long-term borrowings (including current portion)	39,362,107	27,814,375
Guarantee deposits received	<u>418,754</u>	<u>387,488</u>
	<u>\$ 121,386,535</u>	<u>\$ 104,139,502</u>
Lease liabilities (including current portion)	<u>\$ 1,949,698</u>	<u>\$ 1,946,635</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB, EUR and THB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, foreign exchange swap contracts and options, transacted with Group treasury.
- iii. The Group adopts the derivative financial instruments like forward exchange contracts / forward exchange transactions, etc. to hedge the fair value risk and cash flow risk due to foreign exchange rate fluctuations. The Group monitors at any time and pre-sets a "stop loss" amount to limit its foreign exchange risk.

- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB and THB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 563,902	28.0950	\$ 15,842,840
USD:RMB (Note)	409,156	6.5300	11,495,240
USD:THB (Note)	233,393	29.9010	6,557,173
RMB:USD (Note)	1,033,179	0.1531	4,445,203
EUR:USD (Note)	101,021	1.2251	3,477,153
<u>Non-monetary items</u>			
USD:NTD	\$ 5,497,174	28.0950	\$ 154,443,093
THB:USD (Note)	51,035,064	0.0334	47,952,546
RMB:USD (Note)	8,976,208	0.1531	38,619,685
USD:THB (Note)	576,424	29.9010	16,194,634
NOK:USD (Note)	3,688,108	0.1164	12,056,903
THB:NTD	4,864,229	0.9396	4,570,430
EUR:USD (Note)	44,778	1.2251	1,541,250
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 517,975	28.0950	\$ 14,552,505
RMB:USD (Note)	2,039,318	0.1531	8,774,065
USD:THB (Note)	264,943	29.9010	7,443,584
USD:RMB (Note)	241,984	6.5300	6,798,533
EUR:USD (Note)	47,675	1.2251	1,640,967
SGD:USD (Note)	53,296	0.7528	1,127,213

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

December 31, 2019

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

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

- v. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019 amounted to \$ \$399,073 and \$454,685, respectively.

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

Year ended December 31, 2020			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 158,428	\$ -
USD : RMB (Note)	1%	114,952	-
USD : THB (Note)	1%	65,572	-
RMB : USD (Note)	1%	44,452	-
EUR : USD (Note)	1%	34,772	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 145,525	\$ -
RMB : USD (Note)	1%	87,741	-
USD : THB (Note)	1%	74,436	-
USD : RMB (Note)	1%	67,985	-
EUR : USD (Note)	1%	16,410	-
SGD : USD (Note)	1%	11,272	-

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

Year ended December 31, 2019			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 112,842	\$ -
EUR : USD (Note)	1%	25,727	-
RMB : USD (Note)	1%	54,421	-
USD : RMB (Note)	1%	125,301	-
USD : THB (Note)	1%	47,988	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 99,483	\$ -
RMB : USD (Note)	1%	78,177	-
USD : RMB (Note)	1%	72,558	-
USD : THB (Note)	1%	54,981	-

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

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$14,147 and \$15,240, 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 \$15,203 and \$21,171, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear fixed and variable interest rate. During the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.
- ii. As at December 31, 2020 and 2019, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have decreased by \$78,700 and \$55,629, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Group adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Group classifies customer's accounts receivable and contract assets in accordance with customer types. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- viii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2020</u>			
Expected loss rate	0.00%	0.92%	23.59%
Total book value	\$ 53,883,754	\$ 4,956,368	\$ 367,326
Loss allowance	\$ 1,356	\$ 45,703	\$ 86,651

	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	37.46%	95.21%	
Total book value	\$ 139,939	\$ 337,312	\$ 59,684,699
Loss allowance	\$ 52,415	\$ 321,141	\$ 507,266

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

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

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

	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
(Reversal of) provision for impairment loss	-	(254,514)	-	110,447	(144,067)
Acquired from business combinations	-	26,588	-	-	26,588
Write-offs during the year	-	(137,816)	-	(63,404)	(201,220)
Reclassifications	-	(102,008)	-	102,008	-
Effect of foreign exchange	-	(34,177)	-	(8,174)	(42,351)
At December 31	\$ -	\$ 507,266	\$ -	\$ 354,282	\$ 861,548

	2019				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 960,844	\$ -	\$ 271,439	\$ 1,232,283
Reversal of impairment loss	-	(2,747)	-	(53,321)	(56,068)
Acquired from business combinations	-	99,556	-	-	99,556
Write-offs during the year	-	(2,257)	-	(4,484)	(6,741)
Effect of foreign exchange	-	(46,203)	-	(229)	(46,432)
At December 31	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598

For provisioned loss for the years ended December 31, 2020 and 2019, the reversal of impairment loss arising from customers' contracts amounted to \$144,067 and \$56,068, respectively.

(c) Liquidity risk

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

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 2,001,532	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	46,719,921	-	-	-
Other payables	32,884,221	-	-	-
Lease liabilities (including current portion)	538,386	361,912	497,277	552,123
Long-term borrowings (including current portion)	48,117	34,521,128	4,371,048	421,814

Non-derivative financial liabilities:

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

Derivative financial liabilities:

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

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion) are approximate to their fair values.
- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,414,718	\$ -	\$1,270,756	\$2,685,474
Hybrid instruments	52,577	900,000	74,983	1,027,560
Derivative instruments	-	290,505	-	290,505
Financial assets at fair value through other comprehensive income				
Equity instruments	1,254,855	-	672,828	1,927,683
	<u>\$2,722,150</u>	<u>\$1,190,505</u>	<u>\$2,018,567</u>	<u>\$5,931,222</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 60,060	\$ -	\$ 60,060
	<u>\$ -</u>	<u>\$ 60,060</u>	<u>\$ -</u>	<u>\$ 60,060</u>
<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$1,523,977	\$ -	\$1,581,800	\$3,105,777
Hybrid instruments	99,252	-	-	99,252
Derivative instruments	-	142,668	-	142,668
Financial assets at fair value through other comprehensive income				
Equity instruments	1,426,179	-	690,945	2,117,124
	<u>\$3,049,408</u>	<u>\$ 142,668</u>	<u>\$2,272,745</u>	<u>\$5,464,821</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 15,929	\$ -	\$ 15,929
	<u>\$ -</u>	<u>\$ 15,929</u>	<u>\$ -</u>	<u>\$ 15,929</u>

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

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

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

- (b) Except for financial instruments with active markets, the fair value of other financial

instruments is measured by using valuation techniques that are approved for financial management.

- (c) When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	2020		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in profit and loss	-	(105,958)	(105,958)
Losses recognised in other comprehensive income	-	(4,276)	(4,276)
Acquired during the year	74,983	237,157	312,140
Disposals during the year	-	(163,894)	(163,894)
Transfers out from Level 3	-	(268,859)	(268,859)
Net exchange differences	-	(23,331)	(23,331)
At December 31	<u>\$ 74,983</u>	<u>\$ 1,943,584</u>	<u>\$ 2,018,567</u>

	2019		
	<u>Hybrid instruments</u>	<u>Equity instruments</u>	<u>Total</u>
At January 1	\$ 69,074	\$ 3,188,195	\$ 3,257,269
Losses recognised in profit or loss	-	(147,181)	(147,181)
Acquired during the year	-	463,571	463,571
Transferred from convertible bonds	(69,074)	69,074	-
Disposals during the year	-	(1,289,621)	(1,289,621)
Net exchange differences	-	(11,293)	(11,293)
At December 31	<u>\$ -</u>	<u>\$ 2,272,745</u>	<u>\$ 2,272,745</u>

G. In 2020, the Group obtained sufficient observable market information for certain financial assets at fair value through profit or loss. These equity securities were transferred from Level 3 into Level 1 at the end of the month in which they were listed.

H. 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.

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

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,678,184	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.99~1.77 (1.08)	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Price to asset ratio multiple	1.43~13.65 (1.81)	
			Price to earning ratio multiple	12.20~109.2 (20.4)	
			Discount for lack of marketability	20% (20%)	
Hybrid instruments:					
Convertible bonds	74,983	Most recent non-active market price	Not applicable	-	Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 2,007,345	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	1.96~19.97 (3.43)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20% (20%)	The higher the discount for lack of marketability, the lower the fair value

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

and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2020				
		Recognised in profit or loss		Recognised in other comprehensive income (loss)		
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,476	(\$ 3,476)
			December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 3,275	(\$ 3,275)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 6(4) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the year ended December 31, 2020.

(4) Major shareholders information

Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

(1) General information

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

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

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

(2) Measurement of segment information

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

(3) Segment information

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

	Year ended December 31, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 155,421,208	\$ 38,773,146	\$ 88,188,000	\$ 282,382,354
Segment income (Note)	\$ 20,901,545	\$ 3,868,869	\$ 6,655,390	\$ 31,425,804
	Year ended December 31, 2019			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 133,069,546	\$ 37,603,452	\$ 97,083,943	\$ 267,756,941
Segment income (Note)	\$ 11,985,204	\$ 2,573,746	\$ 4,849,840	\$ 19,408,790

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

(4) Reconciliation information for segment income (loss)

- A. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income.
- B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the years ended December 31, 2020 and 2019 is provided as follows:

	Years ended December 31,	
	2020	2019
Reportable segments income	\$ 31,425,804	\$ 19,408,790
Non-operating income and expenses	2,849,479	9,745,619
Income before tax from continuing operations	\$ 34,275,283	\$ 29,154,409

(5) Information on products and services

As the Group considered the business from a product perspective, the reportable segments were based on different products and services. Revenues from external customers are the same as in Note 14(3).

(6) Geographical information

Information about geographic areas for the years ended December 31, 2020 and 2019 were as follows:

	Years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 91,342,056	\$ 26,961,698	\$ 106,559,016	\$ 26,603,429
U.S.A.	63,307,375	4,339,910	69,568,497	4,744,619
Taiwan	30,519,295	39,834,563	8,387,683	26,206,541
Thailand	1,603,452	39,943,247	1,733,577	41,987,260
Others	95,833,315	37,228,069	81,882,624	51,283,319
	<u>\$ 282,605,493</u>	<u>\$ 148,307,487</u>	<u>\$ 268,131,397</u>	<u>\$ 150,825,168</u>

(7) Major customer information

There are no customers accounting for more than 10% of the Group's operating revenues for the years ended December 31, 2020 and 2019.

Delta Electronics, Inc. and Subsidiaries

Loans to others

Year ended December 31, 2020

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	\$ 9,552,300	\$ -	\$ -	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,848,529	Note 5	
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	2,809,500	2,612,835	1,685,700	0.50%	2	-	Additional operating capital	-	None	-	28,848,529	Note 5	
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	17,180,093	17,180,093	17,180,093	0.5%-0.7%	2	-	Additional operating capital	-	None	-	28,848,529	Note 5	
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	2,247,600	-	-	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	Note 5	
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	814,755	814,755	814,755	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	Note 5	
3	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	1,854,270	702,375	702,375	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	Note 5	
3	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	13,822,740	2,247,600	2,247,600	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	Note 5	
3	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	14,505,449	12,361,800	12,361,800	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	Note 5	
3	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	25,791,210	19,104,600	18,177,465	0.5%-0.7%	2	-	Additional operating capital	-	None	-	68,094,687	Note 5	
4	Elitek AS	Elitek Italia S.r.l.	Other receivables - related parties	Yes	34,420	34,420	34,319	1.90%	2	-	Additional operating capital	-	None	-	2,965,340	Note 5	
4	Elitek AS	Delta Solutions (Finland) OY	Other receivables - related parties	Yes	34,420	34,420	34,420	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	Note 5	
4	Elitek AS	Elitek Power France SAS	Other receivables - related parties	Yes	86,050	86,050	86,050	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	Note 5	
4	Elitek AS	Elitek Electronics (Sweden) AB	Other receivables - related parties	Yes	102,300	102,300	102,300	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	Note 5	

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Eitek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	\$ 111,936	\$ 111,936	\$ 111,936	0.60%	2	\$ -	Additional operating capital	-	None	\$ -	\$ 2,965,340	Note 5	
5	Delta Electronics Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,505,858	1,505,858	-	4.65%	2	-	Additional operating capital	-	None	4,302,399	4,302,399	Note 5	
6	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	10,000	-	-	1.34%	2	-	Additional operating capital	-	None	20,000	580,013	Note 6	
6	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	-	-	1.34%	2	-	Additional operating capital	-	None	60,000	580,013	Note 6	
6	Vivotek Inc.	Vatics Inc.	Other receivables - related parties	Yes	270,000	270,000	238,368	1.34%	2	-	Additional operating capital	-	None	280,452	580,013	Note 6	
7	Grandview Holding Ltd.	Cyntec Holding (H.K.) Limited.	Other receivables - related parties	Yes	2,810	-	-	0.50%	2	-	Additional operating capital	-	None	7,649,494	7,649,494	Note 5	
8	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	426,808	426,808	426,808	0.40%	2	-	Additional operating capital	-	None	634,064	634,064	Note 5	
9	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,404,750	1,404,750	1,404,750	4.00%	2	-	Additional operating capital	-	None	6,438,337	6,438,337	Note 5	
10	Delta Greentech (Netherlands) B.V.	Eitek s.r.o.	Other receivables - related parties	Yes	240,940	240,940	206,520	0.40%	2	-	Additional operating capital	-	None	1,204,170	1,204,170	Note 5	
11	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	215,123	215,123	55,932	3.85%	2	-	Additional operating capital	-	None	2,484,671	2,484,671	Note 4	

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2020, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2020

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

Table 2

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding endorsement / guarantee amount as at December 31, 2020	Outstanding endorsement / guarantee amount at December 31, 2020	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	4	\$ 2,917,987	\$ 126,428	\$ 126,428	\$ 126,428	\$ -	0.09%	\$ 7,294,967	N	N	N	Note 3

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

(1) The Company is '0'.

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

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

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

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$145,899,338 thousand (2020/12/31).

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

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

Delta Electronics, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2020

Table 3 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	55,308,750	\$ 788,150	2.08	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	466,705	5.73	466,705	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	-	196,798	-	196,798	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	1,369,750	242,446	0.77	242,446	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,306,000	226,591	1.00	226,591	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	466,043	151,930	0.16	151,930	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	141,008	7.51	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	136,690	1.45	136,690	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	121,680	2.99	121,680	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,632,844	-	1,632,844	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, INC. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,838,235	140,475	10.46	140,475	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through profit or loss - non-current	141,065	\$ 112,380	19.90	\$ 112,380	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	51,468	-	51,468	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	33,653	19.79	33,653	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,917	17.52	4,917	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	32,268	15.00	32,268	

Delta Electronics, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2020
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investee	Balance as at January 1, 2020		Addition		Disposal			Balance as at December 31, 2020		Footnote	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares		Amount
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	Financial assets at fair value through other comprehensive income	Stock Exchange Market	None	122,980,851	\$ 942,033	-	\$ -	67,672,101	\$ 487,499	\$ 1,635,924	(\$ 1,148,425) (Note 1)	55,308,750	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. privately placed convertible bonds	Financial assets at fair value through profit or loss - non-current	Lanner Electronics Inc.	None	-	-	-	900,000	-	-	-	-	-	900,000	
Delta Greentech (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Investments accounted for under the equity method	Delta International Holding Limited	Affiliated enterprise	4,900	362,512	-	82,284 (Note 2)	4,900	367,149	444,796	(Note 3)	-	-	(Note 4)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited common stock and preferred stock	Investments accounted for under the equity method	Natural person	None	-	-	51,495	996,237 (Note 5)	-	-	-	-	51,495	996,237	
ELTEK AS	ELTEK AUSTRALIA PTY LIMITED common stock	Investments accounted for under the equity method	Delta Energy Systems (Singapore) PTE. LTD	Affiliated enterprise	4,461	175,462	-	4,846 (Note 2)	4,461	423,322	180,308	(Note 3)	-	-	(Note 4)
Digital Projection Ltd.	Digital Projection Inc. common stock	Investments accounted for under the equity method	Digital Projection Inc.	Affiliated enterprise	1,000	(473,231)	19,999,000	544,900 (Note 6)	-	-	-	-	20,000,000	71,669	

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

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

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

Note 4: Only sales transactions are disclosed.

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

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

Delta Electronics, Inc. and Subsidiaries
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
 Year ended December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 5

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			
Delta Electronics, Inc.	Plant 1 in the Central Taiwan Science Park	December 3, 2020	\$ 693,837	In accordance with the contract terms	Lee Ming Construction Co., Ltd. and others	None	-	-	\$ -	Price comparison and negotiation	For future business development	None

Delta Electronics, Inc. and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2020

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty enterprise	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 16,027,965	54.04	70 days			\$ 1,542,068	24.35	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,319,518	42.87	70 days			685,598	85.17	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,720,774	55.92	70 days			118,244	14.68	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	300,171	0.96	70 days			134,066	1.27	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	120,101	0.40	70 days			72,413	0.69	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	50.60	70 days			5,120,100	48.47	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingfan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,056,127	6.63	70 days			715,950	6.78	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	940,595	3.03	70 days			298,004	2.82	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	99.46	70 days			1,399,729	99.04	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	243,961	3.13	70 days			71,093	7.02	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	96.81	70 days			933,741	92.23	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	683,329	15.01	70 days			196,733	22.05	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	84.95	70 days			695,534	77.95	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	565,654	22.63	70 days			329,082	59.48	

Purchaser/seller	Counterparty	Relationship with the counterparty enterprise	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 1,144,339	46.37	70 days			\$ 204	0.04	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	274,264	11.02	70 days			74,187	13.41	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	478,595	19.28	70 days			142,362	25.73	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	1,851,495	29.77	Note 1	Note 1	Note 1	557,170	42.93	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	156,804	2.53	90 days after delivery			69,174	5.32	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	99.92	Note 2	Note 2	Note 2	2,456,871	99.69	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,944,271	87.46	70 days			11,716	15.83	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	152,688	3.28	70 days			38,596	3.14	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,080,930	20.91	70 days			167,141	15.62	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	151,167	3.00	70 days			27,288	3.10	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	298,636	5.83	70 days			-	-	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	100,919	2.04	70 days			19,194	2.18	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	479,943	9.54	70 days			313,941	35.65	

Purchaser/seller	Counterparty	Relationship with the counterparty enterprise	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	\$ 163,753	3.15	70 days		\$ 64,408	5.74		
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	754,541	14.69	70 days		179,497	16.01		
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	121,846	2.40	70 days		53,604	4.78		
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	570,160	11.13	70 days		141,395	12.61		
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	488,888	9.50	70 days		60,616	5.40		
ELTEK AS	Eltek SGS Pvt Ltd	Affiliated enterprise	Operating revenue	106,982	2.10	70 days		37,180	3.31		
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	203,083	3.95	70 days		28,322	2.53		
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	144,433	2.80	70 days		10,915	0.98		
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,657	3.69	70 days		-	-		
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	585,708	11.45	70 days		139,520	12.45		
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	120,457	2.36	70 days		3,604	0.32		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	115,195	0.04	70 days		28,123	0.15		
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Operating revenue	248,339	0.09	70 days		114,251	0.58		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Operating revenue	153,002	0.07	90 days after delivery		10,082	0.05		

Purchaser/seller	Counterparty	Relationship with the counterparty enterprise	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales) Operating revenue	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,494,168	0.63	70 days		\$	614,114	71.53	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	4.93	70 days			3,616,912	10.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	3.89	70 days			101,461	0.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,716,023	7.36	70 days			799,825	4.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	5.69	70 days			758,912	4.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	1,543,372	0.71	70 days			177,155	0.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	3.15	70 days			612,348	3.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	2.70	70 days			602,729	21.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	2,797,238	1.28	70 days			703,390	43.52	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	267,150	0.12	70 days			62,830	3.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,290,413	0.61	70 days			314,207	4.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	468,306	0.19	70 days			113,288	1.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	188,141	0.06	70 days			56,134	6.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	157,785	0.07	70 days			40,350	5.08	

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	\$ 860,995	1.46	70 days		\$ 173,142	1.21		
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	183,948	0.31	70 days		15,933	0.11		
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	173,302	0.28	70 days		69,068	0.49		
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,731,227	30.34	70 days		2,922,498	10.41		
Delta Electronics Inc.	Delta Energy Systems (Singapore) PTE. LTD.	Subsidiary	Operating revenue	183,960	0.31	70 days		8,390	0.06		
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	1,685,676	2.87	70 days		337,413	2.37		
Delta Electronics Inc.	DelBio Inc.	Subsidiary	Operating revenue	107,930	0.16	70 days		37,950	0.26		
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	13.40	90 days after delivery		2,305,455	16.15		
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	987,723	1.69	70 days		321,230	2.25		
Delta Electronics Inc.	Digital Projection Inc.	Subsidiary	Operating revenue	124,856	0.22	75 days after delivery		70,871	0.50		
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	490,526	0.83	70 days		104,811	0.74		
DelBio Inc.	Optovue, Inc.	Affiliated enterprise	Operating revenue	112,942	63.19	70 days		25,685	67.53		
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	640,243	6.82	70 days		15,307	1.08		
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	554,150	6.14	70 days		94,475	6.71		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales) Operating revenue	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	\$ 497,254	10.30	90 days	(Note 3)	(Note 3)	\$ 110,396	17.70		

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

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

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

Delta Electronics, Inc. and Subsidiaries
 Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
 December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 576,341	2.72	\$ -		\$ -	\$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,822,120	2.46	-		-	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	119,733	2.40	-		9,839	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	214,457	3.74	-		118,241	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	496,424	8.78	-		324,884	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,400,555	3.95	-		468,200	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	124,408	3.78	-		17	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,803,462	9.93	8,028		505,710	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,691,510	3.42	-		1,314,565	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,542,068	9.69	-		-	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	685,598	2.10	-		164,330	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,244	10.08	-		118,244	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	134,066	3.29	-		46,198	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	5,120,100	3.43	2,663		1,407,286	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	\$ 715,950	3.23	\$ -		\$ 196,225	\$ -
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	298,004	3.15	-		298,004	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,399,729	4.94	-		972,382	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	933,741	5.31	-		-	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	196,733	3.79	-		132,965	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	695,534	5.27	-		466,377	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	329,082	3.44	-		188,359	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	142,362	4.05	-		92,714	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	165,628	-	-		165,628	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	557,170	3.74	-		182,500	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,456,871	4.95	-		1,457,456	-
Delta Electronics (Japan) Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	167,141	6.41	-		84,982	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	313,941	1.74	148,952		65,782	-
ELTEK AS	Eltex Deutschland GmbH	Affiliated enterprise	179,497	5.66	-		79,429	-
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	141,395	3.42	-		51,816	-
ELTEK AS	Eltex s.r.o.	Affiliated enterprise	139,520	5.23	-		65,117	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	114,251	3.65	-		42,356	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	\$ 614,114	3.01	\$ -		\$ 365,046	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	3,616,912	4.52	1,174,047		2,567,425	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	101,461	8.69	33,362		-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	799,825	14.01	-		799,825	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	758,912	12.08	-		570,047	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	177,155	7.35	-		151,243	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	612,348	6.98	-		612,348	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	602,729	6.48	-		207,522	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	703,390	4.02	431,858		323,091	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	314,207	4.47	-		105,722	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	113,288	4.49	-		41,487	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	475,089	3.51	6,430		120,717	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	715,997	4.03	-		255,166	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	319,103	4.79	-		187,926	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	501,760	3.86	6		385,052	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	402,154	3.98	5,711		241,397	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	\$ 5,539,825	2.79	\$ 4,448		\$ 1,623,382	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	506,833	3.66	2,890		140,603	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	881,390	6.30	-		453,151	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B. V.	Affiliated enterprise	120,321	3.21	-		25,880	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	442,628	3.84	-		165,832	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	397,799	3.14	-		185,737	-
Eitek s.r.o.	ELTEK AS	Affiliated enterprise	140,279	14.93	4		140,279	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	257,911	4.80	7,250		46,098	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	5,907,625	3.49	95,508		1,433,699	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	318,874	9.61	1,698		102,389	-
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	1,203,989	2.04	-		1,081,886	-
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	173,142	5.62	4,234		7,148	-
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,420,912	7.64	18,626		2,932,645	-
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	337,413	6.19	30,291		163,826	-
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	2,305,455	3.34	2,638		871,925	-
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	321,230	4.59	-		110,339	-
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	104,811	5.86	-		64,884	-

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

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

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

Delta Electronics, Inc. and Subsidiaries
 Significant inter-company transactions during the reporting period
 Year ended December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 8

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	\$ 15,716,023	(Note 4)	5.56
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	(Note 4)	4.29
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	(Note 4)	2.38
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	(Note 4)	2.06
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	(Note 4)	6.30
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	(Note 5)	5.89
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	(Note 4)	1.47
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	(Note 5)	6.57
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Receivables	3,420,912	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,822,120	(Note 4)	1.73
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,803,462	(Note 4)	1.13
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,691,510	(Note 4)	1.39
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,120,100	(Note 4)	1.52
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	3,616,912	(Note 4)	1.08
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable	8,098,493	(Note 4)	2.41
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,539,825	(Note 5)	1.65
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	5,907,625	(Note 5)	1.76

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 12,385,356	(Note 6)	3.68
13	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	18,209,566	(Note 6)	5.41
14	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	17,206,927	(Note 6)	5.11

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Lending of capital.

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

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

Delta Electronics, Inc. and Subsidiaries
Information on investees
Year ended December 31, 2020

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

Table 9

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Maltese	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 68,300,397	\$ 1,076,096	\$ 693,897	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	3,112,095	139,892	164,705	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	17,298,092	5,699,592	5,721,993	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,570,430	6,621,016	224,882	(Notes 6 and 13)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optoelectronic devices	12,067,931	12,067,931	2,341,204,333	100.00	32,669,114	921,449	938,087	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	221,734	19,910	19,734	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,472,020	(86,241)	86,241	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	36,275,120	14,084,007	14,451,088	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	162,376	-	39.62	-	134	54	(Note 14)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,675,498	(94,426)	94,398	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	325,803	283,419	66,256	(Notes 6 and 9)
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system (software and hardware)	-	341,695	-	-	-	26,958	17,448	(Notes 6 and 22)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Main business activities Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	\$ 4,217,016	\$ 4,039,937	45,782,058	52.65	\$ 3,903,371	\$ 250,823	\$ 27,349	(Note 6)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,102,686	12,102,686	191,984,450	15.39	12,292,118	6,621,016	787,634	(Note 13)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	28,095	28,095	1,000,000	100.00	217,082	2,662	2,662	(Note 1)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	80,322	80,322	5,600	100.00	675,802	99,320	99,319	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	396,883	345,785	46,949,667	100.00	307,262	(144,747)	(155,630)	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	42,143	42,143	9,000,000	100.00	111,508	4,968	4,968	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	224,760	-	60.38	-	134	81	(Notes 1 and 14)
Delta International Holding Limited	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	571,576	215,331	10,000	100.00	783,241	275,357	(7,393)	(Note 1)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,918,605	1,918,605	1,060,624	100.00	2,017,268	237,279	235,036	(Note 1)
Delta International Holding Limited	Eitek AS	Norway	Research, development and sales of power supplies and others	13,967,920	13,967,920	93,531,101	100.00	12,056,903	864,335	10,538	(Note 1)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,107,125	2,107,125	75,000,000	100.00	2,536,140	44,481	44,481	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	102,828	102,828	500,000	100.00	58,177	2,329	2,329	(Note 1)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	169,975	169,975	2,314,592	100.00	140,273	17,364	17,364	(Note 2)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	-	136,577	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	-	636,980	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,226,316	9,226,316	2,549,297,600	100.00	20,481,149	5,094,590	5,094,590	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,447,661	2,447,661	1	100.00	1,909,542	201,765	80,579	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,835,609	4,835,609	304,504,306	100.00	4,773,625	500,155	334,259	(Note 8)

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020				Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance at December 31, 2019	Number of shares	Ownership (%)	Book value				
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	\$ 163,085	\$ -	40,526,221	100.00	(\$ 144,974)	(\$ 144,747)	(\$ 144,747)	(Note 19)	
Cynate Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	28,848,529	594,135	594,135	(Note 5)	
Cynate Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	179,161	24,134,934	100.00	268,711	10,983	(3,146)	(Note 5)	
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	8,878,938	8,878,938	264,357,330	100.00	7,007,099	275,054	(81,767)	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	193,558	193,558	20,600,000	100.00	97,517	(6,544)	(6,544)	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,237,217	5,237,217	146,586,590	100.00	9,187,535	171,923	174,286	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (VIETNAM) COMPANY LIMITED	Vietnam	Sales of electronic products	2,848	-	-	100.00	2,848	-	-	(Notes 18 and 23)	
Vivotek Inc.	Varies Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	14,170,694	50.53	(40,447)	(91,332)	(41,855)	(Note 11)	
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	235,071	36,088	36,088	(Note 11)	
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	109,463	19,402	18,590	(Note 11)	
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	11,536	1,063	1,063	(Note 11)	
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	45,926	38,698	38,698	(Note 11)	
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	25,493	961	961	(Note 11)	
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	304,252	36,140	36,140	(Note 10)	
Realwin Investment Inc.	SKYWATCH INC.	Taiwan	Wholesale of electronic equipment	755	6,211	50,070	1.66	-	(4,747)	-	(Note 15)	
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	47,986	2,564	2,564	(Note 12)	
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	47,820	20,870	11,731	(Note 12)	
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	(9,455)	1,630	1,467	(Note 12)	
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	2,731	100	51	(Note 12)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote (Note 12)
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Vartes Inc.	Taiwan	Designing and sales of multimedia integrated circuits	\$ 31,123	\$ 31,123	1,089,299	3.88	(\$ 1,660)	(\$ 3,547)		

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

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

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

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

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

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

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

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

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

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

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

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

Note 13: The Company indirectly acquired 15.39% and 42.85% equity shares of Delta Electronics (Thailand) Public Company Limited through Delta International Holding Limited and Delta Electronics Int'l (Singapore) Pte. Ltd., respectively,

considering 5.54% equity shares held by the Company, the total ownership was 63.78%.

Note 14: The Company indirectly acquired 60.38% equity shares of PreOptix (Hong Kong) Co., Ltd. through Delta International Holding Limited.

Note 15: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company. Considering the 39.62% equity shares held by the Company, the total ownership was 100%. For the year ended December 31, 2020, PreOptix (Hong Kong) Co., Ltd. returned capital amounting to USD 5,250,000 and USD 8,000,000 to the Company and Delta International Holding Limited, respectively, which is yet to be completed as at December 31, 2020.

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

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

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

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

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

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

Note 22: Merged with the Company in December 2020.

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

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

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

Table 10

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Investee in Mainland China Delta Electronics (Beijing) Co., Ltd.	Main business activities Installation of mechanic, electronic, telecommunication and circuit equipment	\$ 215,123	Invested by DHK	\$ 12,850	\$ -	\$ -	\$ 12,850	\$ 4,981	100.00	\$ 4,981	\$ 158,761	\$ -	(Notes 13 and 20)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	236,635	Invested by DHK	237,641	-	-	237,641	(14,428)	100.00	(14,428)	202,788	-	(Note 20)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	5,675,190	Invested by CHK	5,575,801	-	-	5,575,801	560,487	100.00	560,487	7,857,013	-	(Note 22)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	983,325	Invested by DNHK	1,256,025	-	-	1,256,025	136,639	100.00	136,614	1,775,836	618,090	(Notes 5 and 21)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	63,454	Invested by DNHK	19,667	-	-	19,667	2,381	30.00	714	17,100	-	(Note 21)
DeIBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	112,380	Invested by DeIBio	112,380	-	-	112,380	4,806	100.00	4,788	173,622	-	(Note 23)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	-	Invested by UNICOM	8,429	-	8,429	-	6,274	100.00	6,274	-	51,209	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,712	Invested by DCZ	-	-	-	-	41,938	100.00	3,607	192,114	-	(Note 15)
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	Invested by DPEC and DDG	-	-	-	-	15	-	-	-	-	(Notes 15 and 16)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,025	Invested by DPEC and DGC	-	-	-	-	303	96.32	303	33,189	-	(Note 15)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Investee in Mainland China Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Main business activities Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	\$ 430	Invested by DET-SH	\$ -	\$ -	\$ -	\$ -	\$ 757	96.32	\$ 757	\$ 9,033	\$ -	(Note 15)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,345	Invested by Amerlux Lighting Hong Kong Limited	164,999	4,203	-	169,202	22,521	100.00	22,521	41,009	-	(Notes 14 and 24)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,443,792	Invested by Drake-HK, Boom and DGSG	8,591,806	-	-	8,591,806	910,290	95.91	873,068	5,879,516	-	(Notes 4 and 19)
Cyntec Electronics (Wuhu) Co., Ltd.	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique.	28,095	Invested by DHK	-	28,095	-	28,095	(46,109)	100.00	(46,109)	(16,747)	-	(Notes 17 and 20)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	107,561	Invested by DPT	-	-	-	-	-	40.00	-	12,047	-	(Note 15)

Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.53 to US\$1 and NTD 4.30245 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2020, remitted or collected this period, accumulated remittance as at December 31, 2020 and investment income remitted back as at December 31, 2020 was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$76,994 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$11,312 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 6: Except for the facility of US\$23,687 thousand permitted by Investment Commission, the capitalisation of earnings of US\$22,654 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 7: Except for the facility of US\$229,659 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,303 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Electronics Components (Wujiang) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics Components (Wujiang) Ltd. will be the surviving company and Delta Electronics Components (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

Note 8: Except for the facility of US\$47,655 thousand permitted by Investment Commission, the capitalisation of earnings of US\$8,272 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Video Display System (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Video Display System (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

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

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

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

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

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

Note 14: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.

Note 15: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.

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

Note 17: It was established during 2020.

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

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

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

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

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

Note 23: Invest through DelBio Inc.

Note 24: Invest through Amerlux Lighting Hong Kong Limited.

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

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2020	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,271,975	\$ 27,780,354	\$ -
Cyntec Co., Ltd.	5,575,801	5,575,801	16,358,552
DelBio Inc. (Note 4)	112,380	112,380	133,728

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 to US\$1 at the balance sheet date.

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

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

Note 4: The ceiling is calculated based on DelBio Inc.'s 60% of net assets as at December 31, 2020.

The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Limited. - Labuan (CIL-Labuan) for the year ended December 31, 2020 are shown in Table 6 and 7.

Delta Electronics, Inc. and Subsidiaries

Major shareholders information

December 31, 2020

Table 11

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

■ 7.2 A parent company only financial statement for the most recent fiscal year

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

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

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

Description

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

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

How our audit addressed the matter

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

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

Impairment assessment of investments accounted for under equity method

Description

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

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

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

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

then ended, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

The parent company only financial statements of Delta Electronics, Inc. as at and for the year ended December 31, 2020 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$28.095 to US\$1.00 at December 31, 2020. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2021

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

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

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

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

(Continued)

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

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

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

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

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

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

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

	Notes	Retained earnings					Other equity interest			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments		
2019 New Taiwan Dollars											
Balance at January 1, 2019		\$ 25,975,433	\$ 48,397,067	\$ 23,211,444	\$ 7,088,143	\$ 33,160,104	(\$ 4,422,025)	(\$ 3,270,159)	\$ 131,152	\$ 130,271,159	
Effects of retrospective application and retrospective restatement		-	-	-	-	1,943	-	-	-	1,943	
Balance after retrospective restatement at January 1, 2019		25,975,433	48,397,067	23,211,444	7,088,143	33,162,047	(4,422,025)	(3,270,159)	131,152	130,273,102	
Profit for the year		-	-	-	-	23,117,797	-	-	-	-	
Other comprehensive income (loss) for the year		-	-	-	-	(255,785)	(912,967)	200,079	16,104	(952,569)	
Comprehensive income (loss) for the year		-	-	-	-	22,862,012	(912,967)	200,079	16,104	22,165,228	
Distribution of 2018 earnings	6(15)	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	1,819,310	-	(1,819,310)	-	-	-	-	
Special reserve		-	-	-	472,889	(472,889)	-	-	-	-	
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	
Changes in ownership interests in subsidiaries		-	34,941	-	-	-	-	-	-	34,941	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	-	-	-	-	-	
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	671,323	-	-	-	-	-	-	671,323	
Balance at December 31, 2019		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	
2020 New Taiwan Dollars											
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231	
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)	
Comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957	
Distribution of 2019 earnings	6(15)	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	2,311,780	-	(2,311,780)	-	-	-	-	
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-	
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879	
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	(96,705)	-	-	(58,953)	-	-	-	(155,658)	
Disposal of equity investment at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-	
Balance at December 31, 2020		\$ 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	

(Continued)

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

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

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

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

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

(Continued)

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

	Notes	US Dollars	New Taiwan Dollars	
		2020	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through profit or loss		(\$ 32,034)	(\$ 900,000)	\$ -
Acquisition of financial assets at fair value through other comprehensive income		-	-	(11,190)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	17,863	501,867	402,780
Acquisition of investments accounted for under the equity method		(6,303)	(177,078)	(309,510)
Proceeds from capital reduction of investments accounted for under the equity method		8,309	233,452	46,642
Acquisition of property, plant and equipment	6(7)	(185,663)	(5,216,193)	(6,110,524)
Proceeds from disposal of property, plant and equipment		476	13,364	27,859
Acquisition of intangible assets	6(9)	(12,890)	(362,139)	(506,394)
Decrease (increase) in prepayments for business facilities		984	27,642	(133,758)
Decrease in cash surrender value of life insurance		372	10,441	6,827
Increase in refundable deposits		(326)	(9,169)	(2,066)
Cash inflow due to business combinations	6(25)	832	23,384	445,267
Net cash flows used in investing activities		(208,380)	(5,854,429)	(6,144,067)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from long-term debt	6(26)	2,347,089	65,941,443	9,597,000
Repayment of long-term debt	6(26)	(1,933,369)	(54,317,998)	-
Increase in guarantee deposit received		-	-	122,570
Lease principal repayment		(2,886)	(81,084)	(65,941)
Cash dividends paid	6(15)	(462,279)	(12,987,717)	(12,987,717)
Net cash flows used in financing activities		(51,445)	(1,445,356)	(3,334,088)
Net increase in cash and cash equivalents		31,361	881,084	405,228
Cash and cash equivalents at beginning of year		22,963	645,136	239,908
Cash and cash equivalents at end of year		\$ 54,324	\$ 1,526,220	\$ 645,136

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

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

1. HISTORY AND ORGANISATION

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

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

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

B. Translation of foreign operations

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

(4) Classification of current and non-current items

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

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

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

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

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

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

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

(7) Accounts and notes receivable

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

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

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

(10) Inventories

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

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

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

payments on behalf of the associate.

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

(12) Cash surrender value of life insurance

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

(13) Property, plant and equipment

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

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

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

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

(15) Intangible assets

A. Trademarks

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

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

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

(16) Impairment of non-financial assets

A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use should be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(17) Borrowings

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

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

(18) Accounts payable

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

(19) Derecognition of financial liabilities

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

(20) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

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

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

(22) Income tax

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

(23) Share capital

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

(24) Dividends

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

(25) Revenue recognition

A. Sales of goods

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

B. Installation of software and module services

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

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

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

C. Revenue from licencing intellectual property

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

D. Incremental costs of obtaining a contract

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

(26) Government grants

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

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

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

Critical accounting estimates and assumptions

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

Impairment assessment of goodwill

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

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

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

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

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

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

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

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

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

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

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

A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,404,189 and \$1,579,789 as at December 31, 2020 and 2019, respectively.

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

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

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

D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit

enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was \$1,404,189 and \$1,579,789, respectively.

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

(4) Notes and accounts receivable

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

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

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

The above aging analysis was based on past due date.

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

C. As at December 31, 2020 and 2019, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2019, the balance of receivables from contracts with customers amounted to \$5,428,695.

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

E. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's notes receivable were \$34,132 and \$63,493, and accounts receivable were \$6,816,593 and \$4,447,348, respectively.

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

(5) Inventories

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

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

The cost of inventories recognised as expense for the year:

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

(6) Investments accounted for under equity method

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

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

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

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

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

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

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

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

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

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

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	(2,480,129)	(1,567,557)	(2,942,481)	(1,818,935)	-	(8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>2020</u>							
Opening net book amount	\$ 10,145,121	\$ 5,326,928	\$ 742,338	\$ 1,108,227	\$ 643,063	\$ 1,828,112	\$ 19,793,789
Additions	102,384	150,320	587,101	670,812	259,130	3,446,446	5,216,193
Disposal	-	-	(7,453)	(4,002)	(1)	-	(11,456)
Transfer	-	581,776	33,238	34,221	6,824	(656,059)	-
Depreciation charge	-	(231,359)	(400,149)	(666,909)	(498,843)	-	(1,797,260)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>
<u>At December 31, 2020</u>							
Cost	\$ 10,247,505	\$ 8,527,286	\$ 2,873,420	\$ 4,645,129	\$ 2,600,921	\$ 4,618,499	\$ 33,512,760
Accumulated depreciation and impairment	-	(2,699,621)	(1,918,345)	(3,502,780)	(2,190,748)	-	(10,311,494)
	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2019</u>							
Cost	\$ 7,668,157	\$ 7,557,523	\$ 1,206,465	\$ 2,529,730	\$ 2,067,825	\$ 160,029	\$ 21,189,729
Accumulated depreciation and impairment	-	(2,211,117)	(801,406)	(2,073,022)	(1,417,600)	-	(6,503,145)
	<u>\$ 7,668,157</u>	<u>\$ 5,346,406</u>	<u>\$ 405,059</u>	<u>\$ 456,708</u>	<u>\$ 650,225</u>	<u>\$ 160,029</u>	<u>\$ 14,686,584</u>
<u>2019</u>							
Opening net book amount	\$ 7,668,157	\$ 5,346,406	\$ 405,059	\$ 456,708	\$ 650,225	\$ 160,029	\$ 14,686,584
Additions	2,476,964	188,957	288,347	904,633	370,936	1,880,687	6,110,524
Acquired through business combinations	-	9,085	217,604	125,334	17,954	97	370,074
Disposals	-	-	(29,025)	(3)	(192)	-	(29,220)
Transfer	-	24,809	115,607	49,172	23,113	(212,701)	-
Depreciation charge	-	(242,329)	(255,254)	(427,617)	(418,973)	-	(1,344,173)
Closing net book amount	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>At December 31, 2019</u>							
Cost	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	(2,480,129)	(1,567,557)	(2,942,481)	(1,818,935)	-	(8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>

(8) Leasing arrangements - lessee

- A. The Company leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 428,708	\$ 429,447
Buildings and structures	54,503	92,842
Transportation equipment	4,167	2,978
Other equipment	21	451
	<u>\$ 487,399</u>	<u>\$ 525,718</u>

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

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

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

- E. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases was \$139,652 and \$106,203, respectively.
- F. Extension options
- (a) Extension options are included in the Company's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Company to effectively utilise the assets.
- (b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the




assessment.

(9) Intangible assets

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

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

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

B. The Company acquired registered or under-application trademark rights such as , , VIVITEK, 麗訊 and . The Company's trademarks are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortised but are tested for impairment annually.

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

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

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

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

(10) Other non-current assets

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

(11) Long-term borrowings

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

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

(12) Pensions

A. Defined benefit plan

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

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

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

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

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

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

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

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

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

	Discount rate		Future salary increases rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	<u>(\$ 93,281)</u>	<u>\$ 96,919</u>	<u>\$ 92,145</u>	<u>(\$ 89,211)</u>
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	<u>(\$ 96,589)</u>	<u>\$ 100,410</u>	<u>\$ 97,932</u>	<u>(\$ 94,744)</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, 2021 amount to \$38,247.

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

B. Defined contribution plan

Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2020 and 2019 were \$372,375 and \$361,854, respectively.

(13) Share capital

A. In accordance with the Company’s Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at December 31, 2020, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.

B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares’ equity. The main terms and conditions of the GDRs are as follows:

(a) Voting rights

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

(b) Redemption of GDRs

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

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

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

(d) After considering the stock dividend distribution year by year, as at December 31, 2020, there were 942 thousand units outstanding, representing 4,712 thousand common shares of the Company's common stock.

(14) Capital surplus

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

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues.

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

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

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

(e) The remainder along with beginning unappropriated earnings shall be shareholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be

included in the distributable earnings.

- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

- D. The appropriations of 2019 and 2018 earnings had been approved by the shareholders during their meeting on June 10, 2020 and June 10, 2019, respectively. Details are summarised below:

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

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

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

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

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

(16) Operating revenue

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

- A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2020					
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 15,268,534	\$ 8,784,141	\$ 16,936,156	\$ 17,195,306	\$ 58,184,137
Timing of revenue recognition					
At a point in time	14,092,929	5,373,495	14,638,982	12	34,105,418
Over time	1,175,605	3,410,646	2,297,174	17,195,294	24,078,719
	\$ 15,268,534	\$ 8,784,141	\$ 16,936,156	\$ 17,195,306	\$ 58,184,137

Year ended December 31, 2019					
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	\$ 12,124,250	\$ 7,796,159	\$ 15,552,999	\$ 12,472,265	\$ 47,945,673
Timing of revenue recognition					
At a point in time	10,888,128	5,504,659	12,806,934	7,222	29,206,943
Over time	1,236,122	2,291,500	2,746,065	12,465,043	18,738,730
	\$ 12,124,250	\$ 7,796,159	\$ 15,552,999	\$ 12,472,265	\$ 47,945,673

B. Contract assets and liabilities

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

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

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

(17) Interest income

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

(18) Other income

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

(19) Other gains and losses

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

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

(20) Finance costs

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

(21) Expenses by nature

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

(22) Employee benefit expense

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

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 1% for directors' remuneration.

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

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

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

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

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

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

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

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

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

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

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

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

B. Reconciliation between income tax expense and accounting profit:

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

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

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

2019

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

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

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

(24) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	\$ 9.81
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 25,485,231	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	11,741	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 25,485,231	2,609,284	\$ 9.77

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	\$ 8.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,117,797	2,597,543	
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation	-	13,840	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,117,797	2,611,383	\$ 8.85

(25) Business combinations

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

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

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

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

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

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

(26) Changes in liabilities from financing activities

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

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

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

(2) Significant transactions and balances with related parties

A. Operating revenue

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

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

B. Purchases

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

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

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

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

The receivables from related parties arise mainly from sales transactions. The receivables are due 75 days after the date of sale. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

D. Period-end balances arising from purchases of goods

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

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

E. Period-end balances arising from other transactions

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

The above pertain mainly to payments on behalf of others.

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

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

(3) Key management compensation

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

8. PLEDGED ASSETS

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

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 947,464	\$ 43,198
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,404,189	\$ 1,579,789
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,526,220	\$ 645,136
Notes receivable	34,132	63,493
Accounts receivable	14,159,898	9,406,653
Other receivables	691,847	554,350
Guarantee deposits paid	45,455	36,286
Other financial assets	260,968	160,849
	<u>\$ 16,718,520</u>	<u>\$ 10,866,767</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 11,590,472	\$ 10,135,887
Other accounts payable	11,983,356	10,853,606
Long-term borrowings	38,618,445	26,995,000
Guarantee deposits received	130,119	130,119
	<u>\$ 62,322,392</u>	<u>\$ 48,114,612</u>
Lease liabilities (including current portion)	<u>\$ 491,766</u>	<u>\$ 529,163</u>

B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to manage its foreign exchange risk against the functional currency. To manage the foreign exchange risk arising from future commercial

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

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

				December 31, 2020		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	498,959	28.095	\$	14,018,253
	EUR:NTD		15,062	34.420		518,434
<u>Non-monetary items</u>						
	USD:NTD	\$	4,460,278	28.095	\$	125,311,507
	THB:NTD		4,864,229	0.9396		4,570,430
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	483,958	28.095	\$	13,596,800
	EUR:NTD		16,258	34.420		559,600
				December 31, 2019		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	311,794	29.980	\$	9,347,584
	EUR:NTD		10,781	33.590		362,134
<u>Non-monetary items</u>						
	USD:NTD	\$	3,754,882	29.980	\$	112,571,364
	THB:NTD		4,544,178	1.0098		4,588,711
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	301,310	29.980	\$	9,033,274
	EUR:NTD		9,909	33.590		332,843

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

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

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December

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

Cash flow and fair value interest rate risk

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

On December 31, 2020 and 2019, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have decreased by \$77,237 and \$53,990, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

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

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

- viii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. On December 31, 2020 and 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2020</u>			
Expected loss rate	0.00%	0.54%	25.00%
Total book value	\$ 6,532,859	\$ 150,280	\$ 174,170
Loss allowance	\$ -	\$ 812	\$ 43,543
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.00%	100.00%	
Total book value	\$ 7,278	\$ 45,462	\$ 6,910,049
Loss allowance	\$ 3,639	\$ 45,462	\$ 93,456
	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2019</u>			
Expected loss rate	0.00%	1.18%	25.00%
Total book value	\$ 4,171,912	\$ 227,863	\$ 60,839
Loss allowance	\$ -	\$ 2,700	\$ 15,210
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	49.99%	100.00%	
Total book value	\$ 9,287	\$ 55,856	\$ 4,525,757
Loss allowance	\$ 4,643	\$ 55,856	\$ 78,409

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

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

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

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

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable (including related parties)	\$ 11,590,472	\$ -	\$ -	\$ -
Other payables (including related parties)	11,983,356	-	-	-
Lease liabilities (including current portion)	64,021	19,749	49,323	358,673
Long-term borrowings	-	34,364,445	4,254,000	-

Non-derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable (including related parties)	\$ 10,135,887	\$ -	\$ -	\$ -
Other payables (including related parties)	10,853,606	-	-	-
Lease liabilities (including current portion)	71,368	54,998	43,877	358,920
Long-term borrowings	-	24,995,000	2,000,000	-

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

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

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 25,645	\$ -	\$ 21,819	\$ 47,464
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,254,855</u>	<u>-</u>	<u>149,334</u>	<u>1,404,189</u>
	<u>\$ 1,280,500</u>	<u>\$ 900,000</u>	<u>\$ 171,153</u>	<u>\$ 2,351,653</u>
<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 24,652	\$ -	\$ 18,546	\$ 43,198
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,426,179</u>	<u>-</u>	<u>153,610</u>	<u>1,579,789</u>
	<u>\$ 1,450,831</u>	<u>\$ -</u>	<u>\$ 172,156</u>	<u>\$ 1,622,987</u>

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

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

	<u>Listed shares</u>
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques that are approved for financial management.
- (c) When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (e) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

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

G. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical review.

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

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

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 171,153	Most recent non-active market price	Not applicable	-	Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 172,156	Most recent non-active market price	Not applicable	-	Not applicable

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer

to table 5.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cytotec International Ltd. (CIL-Labuan), with investee companies in the Mainland China, for the year ended December 31, 2020.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

Not applicable.

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

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

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

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

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

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

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

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

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

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

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

Note: Shares in thousands.

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

Please refer to the Note 6(7) disclosure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Delta Electronics, Inc.

Loans to others

Year ended December 31, 2020

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	\$ 9,552,300	\$ -	\$ -	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 28,848,529	28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	2,809,500	2,612,835	1,685,700	0.50%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	17,180,093	17,180,093	17,180,093	0.5%-0.7%	2	-	Additional operating capital	-	None	-	28,848,529	28,848,529	Note 5
2	Delta Networks Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	2,247,600	-	-	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	814,755	814,755	814,755	0.50%	2	-	Additional operating capital	-	None	-	3,062,568	3,062,568	Note 5
3	Delta International Holding Limited	Drake Investment (HK) Limited	Other receivables - related parties	Yes	1,854,270	702,375	702,375	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	13,822,740	2,247,600	2,247,600	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	14,505,449	12,361,800	12,361,800	0.70%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
3	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	25,791,210	19,104,600	18,177,465	0.5%-0.7%	2	-	Additional operating capital	-	None	-	68,094,687	68,094,687	Note 5
4	Eitek AS	Eitek Italia S.r.l.	Other receivables - related parties	Yes	34,420	34,420	34,319	1.90%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eitek AS	Delta Solutions (Finland) OY	Other receivables - related parties	Yes	34,420	34,420	34,420	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eitek AS	Eitek Power France SAS	Other receivables - related parties	Yes	86,050	86,050	86,050	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5
4	Eitek AS	Eitek Electronics (Sweden) AB	Other receivables - related parties	Yes	102,300	102,300	102,300	0.60%	2	-	Additional operating capital	-	None	-	2,965,340	2,965,340	Note 5

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 2)	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value		
4	Eitek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	\$ 111,936	\$ 111,936	\$ 111,936	0.60%	2	\$ -	Additional operating capital	\$ -	None	\$ 2,965,340	Note 5	
5	Delta Electronics Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,505,858	1,505,858	1,505,858	4.65%	2	-	Additional operating capital	-	None	4,302,399	Note 5	
6	Vivotek Inc.	Lidlight Inc.	Other receivables - related parties	Yes	10,000	-	-	1.34%	2	-	Additional operating capital	-	None	20,000	Note 6	
6	Vivotek Inc.	Otus Imaging, Inc.	Other receivables - related parties	Yes	15,000	-	-	1.34%	2	-	Additional operating capital	-	None	60,000	Note 6	
6	Vivotek Inc.	Vatic Inc.	Other receivables - related parties	Yes	270,000	270,000	238,368	1.34%	2	-	Additional operating capital	-	None	280,452	Note 6	
7	Grandview Holding Ltd.	Cyntee Holding (H.K.) Limited.	Other receivables - related parties	Yes	2,810	-	-	0.50%	2	-	Additional operating capital	-	None	7,649,494	Note 5	
8	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	426,808	426,808	426,808	0.40%	2	-	Additional operating capital	-	None	634,064	Note 5	
9	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	1,404,750	1,404,750	1,404,750	4.00%	2	-	Additional operating capital	-	None	6,438,337	Note 5	
10	Delta Greentech (Netherlands) B.V.	Eitek s.r.o.	Other receivables - related parties	Yes	240,940	240,940	206,520	0.40%	2	-	Additional operating capital	-	None	1,204,170	Note 5	
11	Delta Greentech (China) Co., Ltd.	Cyntee Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	215,123	215,123	55,932	3.85%	2	-	Additional operating capital	-	None	2,484,671	Note 4	

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2020, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc.

Provision of endorsements and guarantees to others

Year ended December 31, 2020

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

Table 2

Number (Note 1)	Endorser / guarantor	Party being endorsed/guaranteed		Limit on endorsements / guarantees provided for a single party	Maximum outstanding guarantee amount as at December 31, 2020	Outstanding endorsement / guarantee amount at December 31, 2020	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 5)											
1	ELTEK AS	ELTEK AUSTRALIA PTY LIMITED	4	\$ 2,917,987	\$ 126,428	\$ 126,428	\$ 126,428	\$ -	0.09%	\$ 7,294,967	N	N	N	Note 3

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

(1) The Company is '0'.

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

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

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

Note 4: The Company's net assets based on the latest audited or reviewed financial statements were \$145,899,338 thousand (2020/12/31).

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

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

Delta Electronics, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2020

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

Table 3

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	55,308,750	\$ 788,150	2.08	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	466,705	5.73	466,705	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	-	196,798	-	196,798	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss	1,369,750	242,446	0.77	242,446	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,306,000	226,591	1.00	226,591	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	466,043	151,930	0.16	151,930	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	141,008	7.51	141,008	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	136,690	1.45	136,690	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	121,680	2.99	121,680	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,632,844	-	1,632,844	
Delta Electronics (Netherlands) B.V.	ZENTERA SYSTEMS, INC. preferred stock	None	Financial assets at fair value through other comprehensive income - non-current	1,838,235	140,475	10.46	140,475	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through profit or loss - non-current	141,065	\$ 112,380	19.90	\$ 112,380	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	51,468	-	51,468	
Cyntec Co., Ltd.	SUSUMU Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	200,000	104,081	11.53	104,081	
Cyntec Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	33,653	19.79	33,653	
Delta America Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,917	17.52	4,917	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	32,268	15.00	32,268	

Delta Electronics, Inc.
 Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
 Year ended December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 4

Investor	Marketable securities	General ledger account	Relationship with the investee	Balance as at January 1, 2020		Addition		Disposal			Balance as at December 31, 2020		Footnote	
				Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares		Amount
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	Financial assets at fair value through other comprehensive income	None	122,980,851	\$ 942,033	-	\$ -	67,672,101	\$ 487,499	\$ 1,635,924	(\$ 1,148,425)	55,308,750	\$ 788,150	
Delta Electronics, Inc.	Lanner Electronics Inc. privately placed convertible bonds	Financial assets at fair value through profit or loss - non-current	None	-	-	-	900,000	-	-	-	-	-	900,000	
Delta Greentech (Netherlands) B.V.	Delta Electronics (Switzerland) AG	Investments accounted for under the equity method	Affiliated enterprise	4,900	362,512	-	82,284 (Note 2)	4,900	367,149	444,796	(Note 3)	-	-	(Note 4)
Delta Electronics (Netherlands) B.V.	Trihedral Engineering Limited common stock and preferred stock	Investments accounted for under the equity method	None	-	-	51,495	996,237 (Note 5)	-	-	-	-	51,495	996,237	
ELTEK AS	ELTEK AUSTRALIA PTY LIMITED common stock	Investments accounted for under the equity method	Affiliated enterprise	4,461	175,462	-	4,846 (Note 2)	4,461	423,322	180,308	(Note 3)	-	-	(Note 4)
Digital Projection Ltd.	Digital Projection Inc. common stock	Investments accounted for under the equity method	Affiliated enterprise	1,000	(473,231)	19,999,000	544,900 (Note 6)	-	-	-	-	20,000,000	71,669	

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

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

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

Note 4: Only sales transactions are disclosed.

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

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

Delta Electronics, Inc.
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
 Year ended December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 5

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			
Delta Electronics, Inc.	Plant 1 in the Central Taiwan Science Park	December 3, 2020	\$ 693,837	In accordance with the contract terms	Lee Ming Construction Co., Ltd. and others	None	-	-	\$ -	Price comparison and negotiation	For future business development	None

Delta Electronics, Inc.

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

Year ended December 31, 2020

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 16,027,965	54.04	70 days			\$ 1,542,068	24.35	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	1,319,518	42.87	70 days			685,598	85.17	
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,720,774	55.92	70 days			118,244	14.68	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	300,171	0.96	70 days			134,066	1.27	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	120,101	0.40	70 days			72,413	0.69	
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	15,686,998	50.60	70 days			5,120,100	48.47	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	Operating revenue	2,056,127	6.63	70 days			715,950	6.78	
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	940,595	3.03	70 days			298,004	2.82	
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	8,566,730	99.46	70 days			1,399,729	99.04	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	243,961	3.13	70 days			71,093	7.02	
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,557,493	96.81	70 days			933,741	92.23	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	683,329	15.01	70 days			196,733	22.05	
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	3,859,309	84.95	70 days			695,534	77.95	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	565,654	22.63	70 days			329,082	59.48	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 1,144,339	46.37	70 days			\$ 204	0.04	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	274,264	11.02	70 days			74,187	13.41	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	478,595	19.28	70 days			142,362	25.73	
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	1,851,495	29.77	Note 1	Note 1		557,170	42.93	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	156,804	2.53	90 days after delivery			69,174	5.32	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	13,866,215	99.92	Note 2	Note 2		2,456,871	99.69	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	1,944,271	87.46	70 days			11,716	15.83	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	152,688	3.28	70 days			38,596	3.14	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,080,930	20.91	70 days			167,141	15.62	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	151,167	3.00	70 days			27,288	3.10	
Delta Electronics (Netherlands) B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	298,636	5.83	70 days			-	-	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	100,919	2.04	70 days			19,194	2.18	
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	Operating revenue	479,943	9.54	70 days			313,941	35.65	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ELTEK AS	ELTEK MEA DMCC	Affiliated enterprise	Operating revenue	\$ 163,753	3.15	70 days		\$ 64,408	5.74		
ELTEK AS	Eltek Deutschland GmbH	Affiliated enterprise	Operating revenue	754,541	14.69	70 days		179,497	16.01		
ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Affiliated enterprise	Operating revenue	121,846	2.40	70 days		53,604	4.78		
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	Operating revenue	570,160	11.13	70 days		141,395	12.61		
ELTEK AS	Eltek Power (UK) Ltd	Affiliated enterprise	Operating revenue	488,888	9.50	70 days		60,616	5.40		
ELTEK AS	Eltek SGS Pvt Ltd	Affiliated enterprise	Operating revenue	106,982	2.10	70 days		37,180	3.31		
ELTEK AS	OOO Eltek	Affiliated enterprise	Operating revenue	203,083	3.95	70 days		28,322	2.53		
ELTEK AS	Delta Electronics (Sweden) AB	Affiliated enterprise	Operating revenue	144,433	2.80	70 days		10,915	0.98		
ELTEK AS	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,657	3.69	70 days		-	-		
ELTEK AS	Eltek s.r.o.	Affiliated enterprise	Operating revenue	585,708	11.45	70 days		139,520	12.45		
ELTEK AS	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	120,457	2.36	70 days		3,604	0.32		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Australia) Pty Ltd.	Affiliated enterprise	Operating revenue	115,195	0.04	70 days		28,123	0.15		
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	Operating revenue	248,339	0.09	70 days		114,251	0.58		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Greentech (Brasil) S.A.	Affiliated enterprise	Operating revenue	153,002	0.07	90 days after delivery		10,082	0.05		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	Operating revenue	\$ 1,494,168	0.63	70 days			\$ 614,114	71.53	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	10,450,044	4.93	70 days			3,616,912	10.56	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	8,389,532	3.89	70 days			101,461	0.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	15,716,023	7.36	70 days			799,825	4.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	5.69	70 days			758,912	4.10	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	1,543,372	0.71	70 days			177,155	0.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	3.15	70 days			612,348	3.51	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	2.70	70 days			602,729	21.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	2,797,238	1.28	70 days			703,390	43.52	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	267,150	0.12	70 days			62,830	3.90	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,290,413	0.61	70 days			314,207	4.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	468,306	0.19	70 days			113,288	1.50	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	188,141	0.06	70 days			56,134	6.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	157,785	0.07	70 days			40,350	5.08	

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	Operating revenue	\$ 860,995	1.46	70 days		\$ 173,142	1.21		
Delta Electronics Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	183,948	0.31	70 days		15,933	0.11		
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	173,302	0.28	70 days		69,068	0.49		
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,731,227	30.34	70 days		2,922,498	10.41		
Delta Electronics Inc.	Delta Energy Systems (Singapore) PTE. LTD.	Subsidiary	Operating revenue	183,960	0.31	70 days		8,390	0.06		
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	1,685,676	2.87	70 days		337,413	2.37		
Delta Electronics Inc.	DelBio Inc.	Subsidiary	Operating revenue	107,930	0.16	70 days		37,950	0.26		
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	7,861,839	13.40	90 days after delivery		2,305,455	16.15		
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	987,723	1.69	70 days		321,230	2.25		
Delta Electronics Inc.	Digital Projection Inc.	Subsidiary	Operating revenue	124,856	0.22	75 days after delivery		70,871	0.50		
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	490,526	0.83	70 days		104,811	0.74		
DelBio Inc.	Optovue, Inc.	Affiliated enterprise	Operating revenue	112,942	63.19	70 days		25,685	67.53		
Delta Electronics (Americas) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	640,243	6.82	70 days		15,307	1.08		
Delta Electronics (Americas) Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	554,150	6.14	70 days		94,475	6.71		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales) Operating revenue	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	\$ 497,254	10.30	90 days	(Note 3)	(Note 3)	\$ 110,396	17.70		

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

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

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

Delta Electronics, Inc.
 Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more
 December 31, 2020
 Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	\$ 576,341	2.72	\$ -		\$ -	\$ -
Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	5,822,120	2.46	-		-	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	119,733	2.40	-		9,839	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	214,457	3.74	-		118,241	-
Delta Electronics Power (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	496,424	8.78	-		324,884	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	1,400,555	3.95	-		468,200	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	124,408	3.78	-		17	-
Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	3,803,462	9.93	8,028		505,710	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	4,691,510	3.42	-		1,314,565	-
Delta Electronics Components (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,542,068	9.69	-		-	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	685,598	2.10	-		164,330	-
Delta Video Display System (Wujiang) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	118,244	10.08	-		118,244	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	134,066	3.29	-		46,198	-
Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	5,120,100	3.43	2,663		1,407,286	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics (Pingtan) Co., Ltd.	Affiliated enterprise	\$ 715,950	3.23	\$ -	-	\$ 196,225	\$ -
Delta Electronics (Shanghai) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	298,004	3.15	-	-	298,004	-
Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	1,399,729	4.94	-	-	972,382	-
Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	933,741	5.31	-	-	-	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	196,733	3.79	-	-	132,965	-
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	695,534	5.27	-	-	466,377	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	329,082	3.44	-	-	188,359	-
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	142,362	4.05	-	-	92,714	-
Cyntec Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	165,628	-	-	-	165,628	-
Cyntec Co., Ltd.	Delta Electronics Inc.	Ultimate parent company	557,170	3.74	-	-	182,500	-
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	2,456,871	4.95	-	-	1,457,456	-
Delta Electronics (Japan) Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	167,141	6.41	-	-	84,982	-
Delta Electronics (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Affiliated enterprise	313,941	1.74	148,952	-	65,782	-
ELTEK AS	Eltex Deutschland GmbH	Affiliated enterprise	179,497	5.66	-	-	79,429	-
ELTEK AS	ELTEK POWER FRANCE SAS	Affiliated enterprise	141,395	3.42	-	-	51,816	-
ELTEK AS	Eltex s.r.o.	Affiliated enterprise	139,520	5.23	-	-	65,117	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AUSTRALIA PTY LIMITED	Affiliated enterprise	114,251	3.65	-	-	42,356	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Switzerland) AG	Affiliated enterprise	\$ 614,114	3.01	\$ -	-	\$ 365,046	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	3,616,912	4.52	1,174,047	-	2,567,425	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Power (Dongguan) Co., Ltd.	Affiliated enterprise	101,461	8.69	33,362	-	-	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	799,825	14.01	-	-	799,825	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	758,912	12.08	-	-	570,047	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Video Display System (Wujiang) Ltd.	Affiliated enterprise	177,155	7.35	-	-	151,243	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	612,348	6.98	-	-	612,348	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	602,729	6.48	-	-	207,522	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	703,390	4.02	431,858	-	323,091	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	314,207	4.47	-	-	105,722	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	113,288	4.49	-	-	41,487	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	475,089	3.51	6,430	-	120,717	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan) Inc.	Affiliated enterprise	715,997	4.03	-	-	255,166	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	319,103	4.79	-	-	187,926	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	ELTEK AS	Affiliated enterprise	501,760	3.86	6	-	385,052	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	402,154	3.98	5,711	-	241,397	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	8,098,493	2.31	-	-	2,249,032	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	\$ 5,539,825	2.79	\$ 4,448		\$ 1,623,382	\$ -
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Americas) Ltd.	Affiliated enterprise	506,833	3.66	2,890		140,603	-
Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	881,390	6.30	-		453,151	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	120,321	3.21	-		25,880	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	442,628	3.84	-		165,832	-
Delta Electronics (Slovakia) s.r.o.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	397,799	3.14	-		185,737	-
Elitek s.r.o.	ELTEK AS	Affiliated enterprise	140,279	14.93	4		140,279	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	257,911	4.80	7,250		46,098	-
Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	5,907,625	3.49	95,508		1,433,699	-
Delta Electronics (Thailand) Public Company Limited	Delta Electronics (Americas) Ltd.	Affiliated enterprise	318,874	9.61	1,698		102,389	-
Delta Electronics Inc.	Delta Electronics Components (Wujiang) Ltd.	Subsidiary	1,203,989	2.04	-		1,081,886	-
Delta Electronics Inc.	Cyntec Electronics (Suzhou) Co., Ltd.	Subsidiary	173,142	5.62	4,234		7,148	-
Delta Electronics Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	3,420,912	7.64	18,626		2,932,645	-
Delta Electronics Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	337,413	6.19	30,291		163,826	-
Delta Electronics Inc.	DEI Logistics (USA) Corp.	Subsidiary	2,305,455	3.34	2,638		871,925	-
Delta Electronics Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	321,230	4.59	-		110,339	-
Delta Electronics Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	104,811	5.86	-		64,884	-

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

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

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

Delta Electronics, Inc.

Significant inter-company transactions during the reporting period

Year ended December 31, 2020

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

Table 8

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 8)	Transaction terms (Note 4)	
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	\$ 15,716,023	(Note 4)	5.56
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Components (Wujiang) Ltd.	Affiliated enterprise	Operating revenue	12,112,598	(Note 4)	4.29
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	6,715,882	(Note 4)	2.38
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,821,368	(Note 4)	2.06
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Operating revenue	17,800,978	(Note 4)	6.30
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	16,636,608	(Note 5)	5.89
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DELTA ELECTRONICS (USA) INC.	Affiliated enterprise	Operating revenue	4,152,245	(Note 4)	1.47
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Operating revenue	18,576,277	(Note 5)	6.57
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Receivables	3,420,912	(Note 4)	1.02
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	5,822,120	(Note 4)	1.73
3	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Accounts receivable	3,803,462	(Note 4)	1.13
4	Delta Electronics Components (Wujiang) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Accounts receivable	4,691,510	(Note 4)	1.39
5	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Accounts receivable	5,120,100	(Note 4)	1.52
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Accounts receivable	3,616,912	(Note 4)	1.08
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Inc.	Ultimate parent company	Accounts receivable	8,098,493	(Note 4)	2.41
10	Delta Electronics Int'l (Singapore) Pte. Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Accounts receivable	5,539,825	(Note 5)	1.65
11	Delta Electronics (Thailand) Public Company Limited	DET Logistics (USA) Corporation	Affiliated enterprise	Accounts receivable	5,907,625	(Note 5)	1.76

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
12	Delta International Holding Limited	Delta Electronics (H.K.) Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 12,385,356	(Note 6)	3.68
13	Delta International Holding Limited	Delta Electronics (Netherlands) B.V.	Affiliated enterprise	Other receivables - related parties	18,209,566	(Note 6)	5.41
14	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	17,206,927	(Note 6)	5.11

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

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

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

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

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

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

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

Note 6: Lending of capital.

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

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

Delta Electronics, Inc.
Information on investees
Year ended December 31, 2020
Expressed in thousands of New Taiwan dollars, except as otherwise indicated

Table 9

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited	Maltese	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 68,300,397	\$ 1,076,096	\$ 693,897	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	3,112,095	139,892	164,705	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	17,298,092	5,699,592	5,721,993	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,570,430	6,621,016	224,882	(Notes 6 and 13)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optoelectronic devices	12,067,931	12,067,931	2,341,204,333	100.00	32,669,114	921,449	938,087	(Note 6)
Delta Electronics, Inc.	DelBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	221,734	19,910	19,734	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	3,472,020	(86,241)	86,241	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	36,275,120	14,084,007	14,451,088	(Note 6)
Delta Electronics, Inc.	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	162,376	-	39.62	-	134	54	(Note 14)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,675,498	(94,426)	94,398	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	325,803	283,419	66,256	(Notes 6 and 9)
Delta Electronics, Inc.	UNICOM SYSTEM ENG. CORP.	Taiwan	Design and sales of computer, peripheral and information system (software and hardware)	-	341,695	-	-	-	26,958	17,448	(Notes 6 and 22)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Main business activities Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	\$ 4,217,016	\$ 4,039,937	45,782,058	52.65	\$ 3,903,371	\$ 250,823	\$ 27,349	(Note 6)
Delta International Holding Limited	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	12,102,686	12,102,686	191,984,450	15.39	12,292,118	6,621,016	787,634	(Note 13)
Delta International Holding Limited	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	28,095	28,095	1,000,000	100.00	217,082	2,662	2,662	(Note 1)
Delta International Holding Limited	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	80,322	80,322	5,600	100.00	675,802	99,320	99,319	(Note 1)
Delta International Holding Limited	Digital Projection International Ltd.	Britain	Equity investments	396,883	345,785	46,949,667	100.00	307,262	(144,747)	(155,630)	(Note 1)
Delta International Holding Limited	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	42,143	42,143	9,000,000	100.00	111,508	4,968	4,968	(Note 1)
Delta International Holding Limited	PreOptix (Hong Kong) Co., Ltd.	Hong Kong	Equity investments	-	224,760	-	60.38	-	134	81	(Notes 1 and 14)
Delta International Holding Limited	Delta Electronics (Switzerland) AG	Switzerland	Equity investments, research, development and sales of electronic products	571,576	215,331	10,000	100.00	783,241	275,357	(7,393)	(Note 1)
Delta International Holding Limited	DELTA ELECTRONICS HOLDING (USA) INC.	U.S.A.	Equity investments	1,918,605	1,918,605	1,060,624	100.00	2,017,268	237,279	235,036	(Note 1)
Delta International Holding Limited	Eitek AS	Norway	Research, development and sales of power supplies and others	13,967,920	13,967,920	93,531,101	100.00	12,056,903	864,335	10,538	(Note 1)
Delta International Holding Limited	Delta Controls Inc.	Canada	Provide solutions to building management and control	2,107,125	2,107,125	75,000,000	100.00	2,536,140	44,481	44,481	(Note 1)
Delta International Holding Limited	Delta Electronics Europe Ltd.	Britain	Repair centre and providing support services	102,828	102,828	500,000	100.00	58,177	2,329	2,329	(Note 1)
Delta Electronics (H.K.) Ltd.	Delta Electronics International Mexico S. A. DE C. V.	Mexico	Sales of power management system of industrial automation product and telecommunications equipment	169,975	169,975	2,314,592	100.00	140,273	17,364	17,364	(Note 2)
Delta Electronics (Netherlands) B.V.	Energy Dragon Global Limited	British Virgin Islands	Equity investments	-	136,577	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Castle Horizon Limited	Republic of Seychelles	Equity investments	-	636,980	-	-	-	-	-	(Notes 8 and 20)
Delta Electronics (Netherlands) B.V.	Delta Electronics (H.K.) Ltd.	Hong Kong	Equity investments, operations management and engineering services	9,226,316	9,226,316	2,549,297,600	100.00	20,481,149	5,094,590	5,094,590	(Note 8)
Delta Electronics (Netherlands) B.V.	Boom Treasure Limited	Hong Kong	Equity investments	2,447,661	2,447,661	1	100.00	1,909,542	201,765	80,579	(Note 8)
Delta Electronics (Netherlands) B.V.	Drake Investment (HK) Limited	Hong Kong	Equity investments	4,835,609	4,835,609	304,504,306	100.00	4,773,625	500,155	334,259	(Note 8)

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Digital Projection International Ltd.	Digital Projection Holdings Ltd.	Britain	Equity investments	\$ 163,085	\$ -	40,526,221	100.00	144,974	144,747	(Note 19)	
Cyntec Co., Ltd.	Fairview Assets Ltd.	Cayman Islands	Equity investments	1,116,521	1,116,521	32,740,062	100.00	28,848,529	594,135	(Note 5)	
Cyntec Co., Ltd.	Power Forest Technology Corporation	Taiwan	IC design of power management	347,387	179,161	24,134,934	100.00	268,711	10,983	(Note 5)	
Delta Electronics (Thailand) Public Company Limited	DET International Holding Limited	Cayman Islands	Equity investments	8,878,938	8,878,938	264,357,330	100.00	7,007,099	275,054	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	Delta Green Industrial (Thailand) Co., Ltd.	Thailand	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center	193,558	193,558	20,600,000	100.00	97,517	6,544	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	Delta Energy Systems (Singapore) PTE. LTD.	Singapore	Equity investments, trading, management and consultancy	5,237,217	5,237,217	146,586,590	100.00	9,187,535	171,923	(Note 18)	
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS (VIETNAM) COMPANY LIMITED	Vietnam	Sales of electronic products	2,848	-	-	100.00	2,848	-	(Notes 18 and 23)	
Vivotek Inc.	Vatios Inc.	Taiwan	Designing and sales of multimedia integrated circuits	305,651	305,651	14,170,694	50.53	40,447	41,855	(Note 11)	
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	235,071	36,088	(Note 11)	
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	109,463	19,402	(Note 11)	
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	11,536	1,063	(Note 11)	
Vivotek Inc.	Onus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	45,926	38,698	(Note 11)	
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	25,493	961	(Note 11)	
Vivotek Holdings Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	304,252	36,140	(Note 10)	
Realwin Investment Inc.	Skywatek INC.	Taiwan	Wholesale of electronic equipment	755	6,211	50,070	1.66	-	4,747	(Note 15)	
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	47,986	2,564	(Note 12)	
Realwin Investment Inc.	Aetek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	47,820	20,870	(Note 12)	
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	11,242	11,242	1,322	89.99	9,455	1,630	(Note 12)	
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	2,731	51	(Note 12)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote (Note 12)
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Realwin Investment Inc.	Vates Inc.	Taiwan	Designing and sales of multimedia integrated circuits	\$ 31,123	\$ 31,123	1,089,299	3.88	(\$ 1,660)	(\$ 3,547)	(Note 12)	

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

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

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

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

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

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

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

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

Note 9: The Company indirectly acquired 89.74% equity shares of Delta America Ltd. through Delta Electronics (Thailand) Public Company Limited through the Company, the total ownership was 100%.

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

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

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

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

Note 14: The Company indirectly acquired 60.38% equity shares of PreOptix (Hong Kong) Co., Ltd. through Delta International Holding Limited.

Considering the 39.62% equity shares held by the Company, the total ownership was 100%. For the year ended December 31, 2020, PreOptix (Hong Kong) Co., Ltd. returned capital amounting to USD 5,250,000 and USD 8,000,000 to the Company and Delta International Holding Limited, respectively, which is yet to be completed as at December 31, 2020.

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

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

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

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

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

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

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

Note 22: Merged with the Company in December 2020.

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

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

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

Table 10

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Investee in Mainland China Delta Electronics (Beijing) Co., Ltd.	Main business activities Installation of mechanic, electronic, telecommunication and circuit equipment	\$ 215,123	Invested by DHK	\$ 12,850	\$ -	\$ -	\$ 12,850	\$ 4,981	100.00	\$ 4,981	\$ 158,761	\$ -	(Notes 13 and 20)
Delta Electronics (Xi'an) Co., Ltd.	Sales of computer, peripheral equipment and software	236,635	Invested by DHK	237,641	-	-	237,641	(14,428)	100.00	(14,428)	202,788	-	(Note 20)
Cyntec Electronics (Suzhou) Co., Ltd.	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products	5,675,190	Invested by CHK	5,575,801	-	-	5,575,801	560,487	100.00	560,487	7,857,013	-	(Note 22)
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	983,325	Invested by DNHK	1,256,025	-	-	1,256,025	136,639	100.00	136,614	1,775,836	618,090	(Notes 5 and 21)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	63,454	Invested by DNHK	19,667	-	-	19,667	2,381	30.00	714	17,100	-	(Note 21)
DeIBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	112,380	Invested by DeIBio	112,380	-	-	112,380	4,806	100.00	4,788	173,622	-	(Note 23)
Unicom (Nanjing) System Eng. Corp	Design and sales of computer, peripheral and information system (software and hardware)	-	Invested by UNICOM	8,429	-	8,429	-	6,274	100.00	6,274	-	51,209	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	109,712	Invested by DCZ	-	-	-	-	41,938	100.00	3,607	192,114	-	(Note 15)
Delta Energy Technology (Dongguan) Co., Ltd.	Research and development of energy-saving technology, energy-saving equipment and energy management system as well as technology consulting service	-	Invested by DPEC and DDG	-	-	-	-	15	-	-	-	-	(Notes 15 and 16)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,025	Invested by DPEC and DGC	-	-	-	-	303	96.32	303	33,189	-	(Note 15)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 25)	Book value of investments in Mainland China as at December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Investee in Mainland China Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Main business activities Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	\$ 430	Invested by DET-SH	\$ -	\$ -	\$ -	\$ 757	96.32	\$ 757	\$ 9,033	\$ -	(Note 15)	
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,345	Invested by Amerlux Lighting Hong Kong Limited	164,999	4,203	169,202	22,521	100.00	22,521	41,009	-	(Notes 14 and 24)	
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,443,792	Invested by Drake-HK, Boom and DGSG	8,591,806	-	8,591,806	910,290	95.91	873,068	5,879,516	-	(Notes 4 and 19)	
Cyntec Electronics (Wuhu) Co., Ltd.	Research, development, manufacturing, processing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique.	28,095	Invested by DHK	-	28,095	28,095	(46,109)	100.00	(46,109)	(16,747)	-	(Notes 17 and 20)	
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	107,561	Invested by DPT	-	-	-	-	40.00	-	12,047	-	(Note 15)	

Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.53 to US\$1 and NTD 4.30245 to RMB\$1.

Note 2: The accumulated remittance as at January 1, 2020, remitted or collected this period, accumulated remittance as at December 31, 2020 and investment income remitted back as at December 31, 2020 was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$76,994 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$11,312 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 6: Except for the facility of US\$23,687 thousand permitted by Investment Commission, the capitalisation of earnings of US\$22,654 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on October 27, 2020, Delta Electronics Power (Dongguan) Co., Ltd. merged with Delta Electronics (Dongguan) Co., Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Dongguan) Co., Ltd. would be the surviving company and Delta Electronics Power (Dongguan) Co., Ltd. would be the dissolved company. As of December 31, 2020 the procedure was still in process.

Note 7: Except for the facility of US\$229,659 thousand permitted by Investment Commission, the capitalisation of earnings of US\$27,303 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Electronics Components (Wujiang) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics Components (Wujiang) Ltd. will be the surviving company and Delta Electronics Components (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.

- Note 8: Except for the facility of US\$47,655 thousand permitted by Investment Commission, the capitalisation of earnings of US\$8,272 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China. Additionally, on September 24, 2020, Delta Video Display System (Wujiang) Ltd. merged with Delta Electronics (Jiangsu) Ltd. as permitted by Investment Commission. Under the merger procedure, Delta Electronics (Jiangsu) Ltd. will be the surviving company and Delta Video Display System (Wujiang) Ltd. will be the dissolved company. As of December 31, 2020, the procedure was still in process.
- Note 9: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 10: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 11: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 12: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 13: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.
- Note 14: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.
- Note 15: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment in the Company's ceiling of amount in Mainland China.
- Note 16: This company had been liquidated in January 2020.
- Note 17: It was established during 2020.
- Note 18: The retirement procedure of the investment in Unicom (Nanjing) System Eng. Corp. from UNICOM SYSTEM ENG. CORP. was completed. Except for the share capital of US\$300 thousand retired and the capitalisation of earnings of US\$688 thousand have been remitted back to Taiwan, the capitalisation of earnings of US\$1,134 thousand to be remitted back was also permitted by the Investment Commission.
- Note 19: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.
- Note 20: Invest through Delta Electronics (H.K.) Ltd.
- Note 21: Invest through Delta Networks (H.K.) Ltd.
- Note 22: Invest through Cyntec Holding (H.K.) Limited.
- Note 23: Invest through DelBio Inc.
- Note 24: Invest through Amerlux Lighting Hong Kong Limited.
- Note 25: The company recognised investment income / loss based on the audited financial statement.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2020	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,271,975	\$ 27,780,354	\$ -
Cyntec Co., Ltd.	5,575,801	5,575,801	16,358,552
DelBio Inc. (Note 4)	112,380	112,380	133,728

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NTD 28.095 to US\$1 at the balance sheet date.

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

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

Note 4: The ceiling is calculated based on DelBio Inc.'s 60% of net assets as at December 31, 2020. The significant purchases, sales, accounts payable and accounts receivable that the Company directly conducted with investee companies in Mainland China as well as those that the Company indirectly conducted with investee companies in Mainland China through Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG) and Cyntec International Limited. - Labuan (CIL-Labuan) for the year ended December 31, 2020 are shown in Table 6 and 7.

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

Table 11

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

► 7.3 Audit committee's report for the most recent year's financial statement

Audit Committee's Review Report

Attention: Annual General Shareholders' Meeting of Delta Electronics, Inc. 2021

We, the Audit Committee of the Company have reviewed the business report, parent company only financial statements, consolidated financial statements and proposal for earnings distribution of the Company for the year 2020 in accordance with applicable laws and regulations and found the same have been complied with. We hereby report to the shareholders as described above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit Committee of Delta Electronics, Inc.

Convenor of the Audit Committee: Yung-Chin Chen

Handwritten signature of Yung-Chin Chen in Chinese characters: 陳永清

Date: February 24, 2021

► 7.4 Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years

7.4.1 Condensed Balance Sheet – Consolidated (Based on IFRSs)

Unit: NT\$1,000

Item	Year	Financial information for the past five fiscal years (Note 1)					Current year to March 31, 2021 (Note 3)
		2016	2017	2018	2019	2020	
Current Assets		\$138,401,698	\$147,703,878	\$157,305,906	\$147,558,191	\$174,886,855	\$178,758,772
Property, Plants and Equipment (Note 2)		40,558,137	44,338,628	46,428,874	63,590,981	68,441,975	71,097,325
Intangible Assets		30,918,856	33,833,648	32,628,388	82,432,653	75,459,630	75,992,081
Other Assets (Note 2)		25,235,979	24,662,405	25,572,256	17,455,465	17,627,755	17,952,593
Total Assets		235,114,670	250,538,559	261,935,424	311,037,290	336,416,215	343,800,771
Current Liabilities	Before Distribution	81,263,637	89,221,147	80,628,980	85,726,160	94,023,501	96,745,017
	After Distribution	94,251,354	102,208,864	93,616,697	98,713,877	(Note 4)	(Note 4)
Non-Current Liabilities		24,842,167	27,543,938	41,845,536	50,956,688	63,803,073	61,320,856
Total Liabilities	Before Distribution	106,105,804	116,765,085	122,474,516	136,682,848	157,826,574	158,065,873
	After Distribution	119,093,521	129,752,802	135,462,233	149,670,565	(Note 4)	(Note 4)
Equity attributable to owners of the parent		124,114,426	124,556,969	130,271,159	140,156,877	145,899,338	153,804,087
Share Capital		25,975,433	25,975,433	25,975,433	25,975,433	25,975,433	25,975,433
Capital Surplus		48,442,451	48,446,318	48,397,067	49,103,331	49,202,505	49,046,774
Retained Earnings	Before Distribution	51,936,736	57,223,361	63,459,691	72,700,147	83,264,608	89,894,200
	After Distribution	38,949,019	44,235,644	50,471,974	59,712,430	(Note 4)	(Note 4)
Other Equity		(2,240,194)	(7,088,143)	(7,561,032)	(7,622,034)	(12,543,208)	(11,112,320)
Treasury Stock (Note 5)		-	-	-	-	-	-
Non-controlling interest		4,894,440	9,216,505	9,189,749	34,197,565	32,690,303	31,930,811
Total Equity	Before Distribution	129,008,866	133,773,474	139,460,908	174,354,442	178,589,641	185,734,898
	After Distribution	116,021,149	120,785,757	126,473,191	161,366,725	(Note 4)	(Note 4)

Note 1: All financial data from 2016 to 2020 are audited by the CPA.

Note 2: No asset revaluation was conducted in these stated fiscal years.

Note 3: The latest financial reports reviewed by the CPA on the date of publication of the annual report April 28, 2021 is the financial reports on March 31, 2021.

Note 4: The earnings distribution for 2020 has not been approved by the shareholders meeting, therefore the figures after distribution are not listed.

Note 5: Not applicable to the Company.

7.4.2 Condensed Income Statements - Consolidated (Based on IFRSs)

Unit: NT\$1,000 (EPS=NT\$)

Item \ Year	Financial information for the most recent five years (Note 1)					Current year to March 31, 2021 (Note 2)
	2016	2017	2018	2019	2020	
Sales Revenue	\$214,355,571	\$223,577,514	\$237,017,809	\$268,131,397	\$282,605,493	\$72,485,283
Gross Profit	59,493,731	60,768,274	63,554,387	74,496,145	87,212,378	21,607,221
Operating Profit	20,825,671	19,773,788	18,166,723	19,408,790	31,425,804	7,501,224
Non-operating Income and Expenses	3,964,290	4,024,492	4,634,305	9,745,619	2,849,479	1,313,023
Profit before Income Tax	24,789,961	23,798,280	22,801,028	29,154,409	34,275,283	8,814,247
Profit from Continued Operations	19,259,982	18,756,952	18,648,584	23,927,756	27,384,339	7,043,295
Gain (Loss) from Discontinued Operations (Note 3)	-	-	-	-	-	-
Profit for the Year	19,259,982	18,756,952	18,648,584	23,927,756	27,384,339	7,043,295
Other Comprehensive Income (Loss) for the Year	(6,407,491)	(5,155,742)	602,036	(62,017)	(8,950,039)	1,621,759
Total Comprehensive Income for the Year	12,852,491	13,601,210	19,250,620	23,865,739	18,434,300	8,665,054
Profit Attributable to Owners of the Parent	18,797,799	18,380,552	18,193,093	23,117,797	25,485,231	6,580,300
Profit Attributable to Non-controlling Interest	462,183	376,400	455,491	809,959	1,899,108	462,995
Comprehensive Income Attributable to Owners of the Parent	12,633,666	13,430,608	18,813,838	22,165,228	18,689,957	8,060,480
Comprehensive Income Attributable to Non-controlling Interest	218,825	170,602	436,782	1,700,511	(255,657)	604,574
Earnings Per Share	7.24	7.08	7.00	8.90	9.81	2.53

Note 1: All financial data from 2015 to 2019 are audited by the CPA.

Note 2: The latest financial reports reviewed by the CPA on the date of publication of the annual report April 28, 2021 is the financial reports on March 31, 2021.

Note 3: The gain (loss) from discontinued operations are the net amount after deducting income tax.

7.4.3 Condensed Balance Sheet – Parent Company Only (Based on IFRSs)

Unit: NT\$1,000

Item	Year	Financial information for the most recent five years (Note 1)					Current year to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020	
Current Assets		\$12,037,506	\$13,822,923	\$12,787,307	\$16,545,412	\$24,105,871	NA
Property, Plants and Equipment (Note 3)		11,253,913	11,834,121	14,686,584	19,793,789	23,201,266	
Intangible Assets		638,607	801,261	944,431	1,008,581	1,338,725	
Other Assets (Note 3)		135,727,597	136,671,248	148,613,876	164,456,369	176,679,099	
Total Assets		159,657,623	163,129,553	177,032,198	201,804,151	225,324,961	
Current Liabilities	Before Distribution	17,612,117	17,887,966	19,991,835	22,589,246	27,265,368	
	After Distribution	30,599,834	30,875,683	32,979,552	35,576,963	(Note 4)	
Non-Current Liabilities		17,931,080	20,684,618	26,769,204	39,058,028	52,160,255	
Total Liabilities	Before Distribution	35,543,197	38,572,584	46,761,039	61,647,274	79,425,623	
	After Distribution	48,530,914	51,560,301	59,748,756	74,634,991	(Note 4)	
Equity attributable to owners of the parent		-	-	-	-	-	
Share Capital		25,975,433	25,975,433	25,975,433	25,975,433	25,975,433	
Capital Surplus		48,442,451	48,446,318	48,397,067	49,103,331	49,202,505	
Retained Earnings	Before Distribution	51,936,736	57,223,361	63,459,691	72,700,147	83,264,608	
	After Distribution	38,949,019	44,235,644	50,471,974	59,712,430	(Note 4)	
Other Equity		(2,240,194)	(7,088,143)	(7,561,032)	(7,622,034)	(12,543,208)	
Treasury Stock (Note 5)		-	-	-	-	-	
Non-controlling interest		-	-	-	-	-	
Total Equity	Before Distribution	124,114,426	124,556,969	130,271,159	140,156,877	145,899,338	
	After Distribution	111,126,709	111,569,252	117,283,442	127,169,160	(Note 4)	

Note 1: All financial data from 2016 to 2020 are audited by the CPA.

Note 2: The latest financial data reviewed by the CPA on the date of publication of this annual report April 28, 2021, please see " 7.4.1 Condensed Balance Sheet – Consolidated (Based on IFRSs)"

Note 3: No asset revaluation was conducted in these stated fiscal years.

Note 4: The earnings distribution for 2020 has not yet been approved by the shareholders' meeting, therefore the figure after distribution is not listed.

Note 5: Not applicable to the Company.

7.4.4 Condensed Income Statements – Parent Company Only (Based on IFRSs)

Unit: NT\$1,000 (EPS=NT\$)

Item \ Year	Financial information for the most recent five years (Note 1)					Current year to March 31, 2021 (Note 2)
	2016	2017	2018	2019	2020	
Sales Revenue	\$38,547,696	\$38,577,747	\$38,948,885	\$47,945,673	\$58,184,137	NA
Gross Profit	4,529,028	4,517,782	12,535,782	16,350,556	21,948,273	
Operating Profit	1,943,726	2,332,328	1,437,896	1,609,646	5,672,297	
Non-operating Income and Expenses	18,392,397	17,671,868	16,933,685	23,586,291	22,878,611	
Profit before Income Tax	20,336,123	20,004,196	18,371,581	25,195,937	28,550,908	
Profit from Continued Operations	18,797,799	18,380,552	18,193,093	23,117,797	25,485,231	
Gain (Loss) from Discontinued Operations (Note 3)	-	-	-	-	-	
Profit for the Year	18,797,799	18,380,552	18,193,093	23,117,797	25,485,231	
Other Comprehensive Income (Loss) for the Year	(6,164,133)	(4,949,944)	620,745	(952,569)	(6,795,274)	
Total Comprehensive Income for the Year	12,633,666	13,430,608	18,813,838	22,165,228	18,689,957	
Profit Attributable to Owners of the Parent	-	-	-	-	-	
Profit Attributable to Non-controlling Interest	-	-	-	-	-	
Comprehensive Income Attributable to Owners of the Parent	-	-	-	-	-	
Comprehensive Income Attributable to Non-controlling Interest	-	-	-	-	-	
Earnings Per Share	7.24	7.08	7.00	8.90	9.81	

Note 1: All financial data from 2016 to 2020 are audited by the CPA.

Note 2: The latest financial data reviewed by the CPA on the date of publication of this annual report April 28, 2021, please see "7.4.2 Condensed Income Statements - Consolidated (Based on IFRSs)"

Note 3: The gain (loss) from discontinued operations are the net amount after deducting income tax.

7.4.5 Names and opinions of external auditors over the past five years

Item \ Year	Names and opinions of external auditors over the past five years				
	2016	2017 (Note)	2018	2019	2020
Names of the CPA	Liang, Hua-Ling	Lin, Yu-Kuan	Lin, Yu-Kuan	Lin, Yu-Kuan	Lin, Yu-Kuan
	Tseng, Hui-Chin	Chou, Chien-Hung	Chou, Chien-Hung	Chou, Chien-Hung	Chou, Chien-Hung
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion

Note: The main reason for the change of CPA in 2017 is due to the internal organizational adjustment by the CPA firm.

► 7.5 Financial analyses for the past 5 fiscal years

7.5.1 Consolidated Financial Analysis – Based on IFRSs

Analysis Items (Note 3)		Financial Analysis for the Past Five Fiscal Years					Analysis of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020		
Financial Structure (%)	Debt Ratio	45.13	46.61	46.76	43.94	46.91	NA	45.98
	Ratio of Long-term Capital to Property, Plant and Equipment	367.27	343.04	370.71	300.54	306.39	NA	302.58
Solvency (%)	Current Ratio	170.31	165.55	195.10	172.13	186.00	NA	184.77
	Quick Ratio	134.95	129.06	151.13	123.46	135.95	NA	131.62
	Interest Coverage Ratio	6,561.66	6,381.53	4,277.51	4,084.23	9,219.72	Analysis 1	12,836.25
Operating Performance	Accounts Receivable Turnover (Times)	4.13	4.12	4.13	4.59	4.65	NA	4.66
	Average Collection Days	88.38	88.59	88.38	79.52	78.49	NA	78.33
	Inventory Turnover (Times)	5.59	5.15	4.76	4.58	4.02	NA	3.80
	Accounts Payable Turnover(Times)	4.22	4.32	4.42	4.84	4.53	NA	4.31
	Average Days in Sales	65.30	70.87	76.68	79.69	90.80	NA	96.05
	Property, Plant and Equipment Turnover (Times)	5.20	5.27	5.22	4.87	4.28	NA	4.16
	Total Assets Turnover (Times)	0.93	0.92	0.92	0.94	0.87	NA	0.85
Profitability	Return on Total Assets (%)	8.29	7.70	7.27	8.27	7.97	NA	7.80
	Return on Equity (%)	15.13	14.78	14.28	17.10	17.82	NA	17.56
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 7)	95.44	91.62	87.78	112.24	131.95	NA	135.73
	Profit Ratio(%)	8.77	8.22	7.68	8.62	9.02	NA	9.08
	Earnings Per Share(NT\$)	7.24	7.08	7.00	8.90	9.81	NA	2.53
Cash Flow	Cash Flow Ratio (%)	38.02	30.23	29.36	48.89	49.83	NA	46.54
	Cash Flow Adequacy Ratio (%)	115.40	107.66	103.11	90.33	93.31	NA	108.86
	Cash Reinvestment Ratio (%)	10.62	7.92	5.27	13.63	13.96	NA	18.06
Leverage	Operating Leverage	2.81	3.04	3.14	3.75	2.70	Analysis 2	2.80
	Financial Leverage	1.02	1.02	1.03	1.04	1.01	NA	1.01

Analysis of financial ratio difference exceeding 20% for the last two years:

Analysis 1: The increase in interest coverage ratio was mainly due to the increase in profit and decrease in interest expenses.

Analysis 2: The decrease in operating leverage was mainly due to the increase in operating income.

Note 1: The financial analysis figures from 2016 to 2020 are audited by CPA.

Note 2: The latest financial reports reviewed by the CPA on the date of publication of the annual report April 28, 2021 is the financial reports on March 31, 2021 and it is included in the analysis.

Note 3: The calculation formulas of the analysis items are as below.

1. Financial Structure:

(1) Debt Ratio = Total liabilities / Total assets

(2) Ratio of Long-term Capital to Property, Plant and Equipment = (Total equity + non-current liabilities) / Net Property, Plant and Equipment

2. Solvency:

(1) Current Ratio = Current assets / Current liabilities

(2) Quick Ratio = (Current assets – inventories – prepaid expenses) / Current liabilities

(3) Interest Coverage Ratio = Income before tax and interest expenses / Current Interest expenses

3. Operating Performance:

- (1) Accounts Receivable (included accounts receivable and operating notes receivable) Turnover= Net sales / Average accounts receivable for each period (included accounts receivable and operating notes receivable)
- (2) Average Collection Days=365 / Accounts receivable turnover
- (3) Inventory Turnover=Cost of sale / Average inventories
- (4) Accounts Payable (included accounts payable and operating notes payable) Turnover=Cost of sales / Average accounts payable for each period (included accounts payable and operating notes payable)
- (5) Average Days in Sales=365 / Inventory turnover
- (6) Property, Plant and Equipment Turnover=Net sales / Net average of Property, Plant and Equipment
- (7) Total Assets Turnover=Net sales / Average of total assets

4. Profitability:

- (1) Return on Total Assets= [Net income after tax + interest expense × (1 – tax rate)] / Average of total assets
- (2) Return on Equity=Net income after tax / Average of equity
- (3) Profit Ratio=Net income after tax / Net sales
- (4) Earnings Per Share=Net income attributable to owners – preferred share dividends / Weighted average of outstanding shares (Note4)

5. Cash Flow:

- (1) Cash Flow Ratio=Net cash flow from operating activities / Current liabilities
- (2) Cash Flow Adequacy Ratio=Net cash flow from operating activities in recently five years / Recently five years of (capital expenses + increase in inventories + cash dividend)
- (3) Cash Reinvestment Ratio=(Net cash flow from operating activities - cash dividends) / (Gross Property, Plant and Equipment + long-term investments + other non-current assets + working capital)

6. Leverage:

- (1) Operating Leverage=(Net sales – variable operating cost and expense) / Operating income (Note 6)
- (2) Financial Leverage=Operating income / (Operating income – interest expense)

Note 4: The calculation formula of the above earnings per share shall consider the following items for evaluation:

1. The evaluation shall be based on the weighted average number of common shares instead of the number of shares outstanding at the end of the year.
2. Capital increase by cash or treasury shares transaction shall be based on the issuance period of the shares and calculate the weighted average number of shares.
3. Increase of capital by transferring from retained earnings or by capital surplus shall be based on the proportion of capital increase when calculating the annual or the semi-annual earnings per share of the previous year. The issuance period of shares does not be taken into consideration.
4. If the preferred share is a non-convertible accumulative preferred share, its annual dividend (whether paid or not) shall be deducted from the net income after tax, or increase the net loss after tax. If the preferred share is non-cumulative, in the case of net profit after tax, the preferred share dividend shall be deducted from the net profit after tax. It shall not be adjusted in the case if there is a loss.

Note 5: The cash flow analysis shall consider the following items for evaluation:

1. Net cash flow from operating activities refers to the net cash inflows from operating activities in the cash flow statement.
2. Capital expense refers to the number of cash outflows per year of capital investment.
3. The increase in inventory is only included when the ending balance is greater than the beginning balance. If the inventory is decreased at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. The gross property, plant and equipment value refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer shall classify various operating costs and operating expenses into non-current and current items. Any estimation or subjective judgment shall consider the reasonableness and consistency.

Note 7: If the company issues shares without a par value or the face value the shares is not NT\$10, the above calculation of the proportion of the paid-up capital shall be based on the interests attributable to parent company in the balance sheet.

7.5.2 Parent Only Financial Analysis – Based on IFRSs

Analysis Items(Note 3)		Year(Note 1)	Financial Analysis for the Last Five Years					Analysis of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020			
Financial Structure (%)	Debt Ratio	22.26	23.65	26.41	30.55	35.25	NA	NA	
	Ratio of Long-term Capital to Property, Plant and Equipment	1,262.19	1,227.31	1,069.28	905.41	853.66	NA		
Solvency (%)	Current Ratio	68.35	77.27	63.96	73.24	88.41	Analysis 1		
	Quick Ratio	56.51	65.89	51.62	52.66	69.17	Analysis 1		
	Interest Coverage Ratio	38,850.97	26,102.10	22,009.01	19,068.13	15,475.16	NA		
Operating Performance	Accounts Receivable Turnover(Times)	4.70	4.56	4.77	5.38	4.88	NA		
	Average Collection Days	77.66	80.04	76.52	67.84	74.80	NA		
	Inventory Turnover(Times)	27.85	23.09	14.54	9.67	7.16	Analysis 2		
	Accounts Payable Turnover(Times)	4.55	4.47	3.26	3.34	3.34	NA		
	Average Days in Sales	13.11	15.81	25.10	37.75	50.98	Analysis 2		
	Property, plant and equipment Turnover (Times)	3.44	3.34	2.94	2.78	2.71	NA		
	Total Assets Turnover(Times)	0.24	0.24	0.23	0.25	0.27	NA		
Profitability	Return on Total Assets(%)	11.96	11.43	10.74	12.26	12.00	NA		
	Return on Equity(%)	15.13	14.78	14.28	17.10	17.82	NA		
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 4)	78.29	77.01	70.73	97.00	109.92	NA		
	Profit Ratio(%)	48.77	47.65	46.71	48.22	43.80	NA		
	Earnings Per Share(NT\$)	7.24	7.08	7.00	8.90	9.81	NA		
Cash Flow	Cash Flow Ratio(%)	66.84	103.19	34.40	43.75	30.00	Analysis 3		
	Cash Flow Adequacy Ratio(%)	72.73	72.91	65.45	61.65	58.63	NA		
	Cash Reinvestment Ratio(%)	-0.83	3.66	-3.77	-1.67	-2.34	Analysis 3		
Leverage	Operating Leverage	2.64	2.28	8.60	10.52	4.08	Analysis 4		
	Financial Leverage	1.03	1.03	1.06	1.09	1.03	NA		

Analysis of financial ratio difference exceeding 20% for the last two years:

Analysis 1: The increase in current ratio and quick ratio was mainly due to the increase in current assets.

Analysis 2: The decrease in inventory turnover rate and the increase in average days in sale was mainly due to the increase in average inventories.

Analysis 3: The increase in cash flow ratio and the decrease in cash reinvestment ratio was mainly due to the decrease in the cash inflow generated from operations.

Analysis 4: The decrease in operating leverage was mainly due to the increase in operating profit.

Note 1: The financial analysis figures from 2016 to 2020 are audited by CPA.

Note 2: The financial analysis reviewed by the CPA on the date of publication of this annual report April 28, 2021, please see 7.5.1 Consolidated Financial Analysis – Based on IFRS.

Note 3: The calculation formulas are based on the descriptions in the Note 3 in 7.5.1 Consolidated Financial Analysis – Based on IFRS.

Note 4: If the company issues shares without a par value or the face value the shares is not NT\$10, the calculation of the proportion of the paid-up capital shall be based on the interests attributable to parent company in the balance sheet.

► 7.6 The financial situation of the Company and its affiliates

The Company and its affiliates have not incurred any financial or cash flow difficulties in last year and as of the date of publication of this Annual Report.

8. Review and Analysis of Financial Position and Financial Performance, and Risks Assessment

► 8.1 Financial position

Unit: NT\$1,000

Item	Year	December 31, 2020	December 31, 2019	Difference		Comment (Note)
				Amount	%	
Current assets		\$174,886,855	\$147,558,191	\$ 27,328,664	19	NA
Property, plant and equipment		68,441,975	63,590,981	4,850,994	8	NA
Intangible assets		75,459,630	82,432,653	(6,973,023)	(8)	NA
Other assets		17,627,755	17,455,465	172,290	1	NA
Total assets		336,416,215	311,037,290	25,378,925	8	NA
Current liabilities		94,023,501	85,726,160	8,297,341	10	NA
Non-current liabilities		63,803,073	50,956,688	12,846,385	25	Comment 1
Total liabilities		157,826,574	136,682,848	21,143,726	15	NA
Share capital		25,975,433	25,975,433	-	-	NA
Capital surplus		49,202,505	49,103,331	99,174	-	NA
Retained earnings		83,264,608	72,700,147	10,564,461	15	NA
Other equity interest		(12,543,208)	(7,622,034)	(4,921,174)	65	Comment 2
Non-controlling interest		32,690,303	34,197,565	(1,507,262)	(4)	NA
Total equity		178,589,641	174,354,442	4,235,199	2	NA

Note: detailed analysis is not required when difference in the rate of variance does not exceed 20% or the indicated amount does not exceed NTD 10 million.

Comment 1: The increase in non-current liabilities was mainly due to the increase in long-term borrowings.

Comment 2: The decrease in other equity interest was mainly due to the decrease in financial statements translation differences of foreign operations.

► 8.2 Financial performance

Unit: NT\$1,000

Item \ Year	2020	2019	Increased (Decreased)	Rate of Variance (%)	Comment on the difference analysis for the rate of variance(Note)
Sales revenue	\$282,605,493	\$268,131,397	\$14,474,096	5	NA
Operating costs	195,393,115	193,635,252	1,757,863	1	NA
Gross profit	87,212,378	74,496,145	12,716,233	17	NA
Operating expenses	55,786,574	55,087,355	699,219	1	NA
Operating profit	31,425,804	19,408,790	12,017,014	62	Comment 1
Non-operating income and expenses	2,849,479	9,745,619	(6,896,140)	(71)	Comment 2
Profit before income tax	34,275,283	29,154,409	5,120,874	18	NA
Income tax expense	6,890,944	5,226,653	1,664,291	32	Comment 3
Gain (Loss) from Discontinued Operations	-	-	-	-	NA
Profit for the year	27,384,339	23,927,756	3,456,583	14	NA
Other comprehensive income (loss) for the year	(8,950,039)	(62,017)	(8,888,022)	14,332	Comment 4
Total comprehensive income for the year	18,434,300	23,865,739	(5,431,439)	(23)	Comment 4

Note: detailed analysis is not required when difference in the rate of variance does not exceed 20% or the indicated amount does not exceed NTD 10 million.

Comment 1: The increase in operating profit was mainly due to the increase in gross margin.

Comment 2: The decrease in non-operating income and expenses was mainly due to the decrease in gain on disposal of investments.

Comment 3: The increase in income tax expense was mainly due to the increase in profit before income tax.

Comment 4: The decrease in other comprehensive income (loss) for the year was mainly due to the decrease in financial statements translation differences of foreign operations.

Sales volume forecast with related assumptions, and possible impact to the Company's financials and operations as well as related response plans:

Delta's product offerings are broadly covered from power supply components to integrated solutions, and there are significant price differences between its product offerings from less than one to multi-million USD per unit. Therefore, it is not appropriate to apply sales volume as the measurement basis. In response of increasing orders, Delta has dedicated to develop automation to improve its productivity and yield rate in recent years. Moreover, Delta is devoted to promote energy saving and environmental protection for the mission to protect the earth. Delta will continuously develop more valuable, more efficient and more environment-friendly products to fulfill customers' needs.

► 8.3 Cash flow

8.3.1 Cash Flow Analysis for the Past 2 Fiscal Years

Item \ Year	December 31, 2020	December 31, 2019	Variance (%)
Cash flow ratio	49.83%	48.89%	2
Cash flow adequacy ratio	93.31%	90.33%	3
Cash reinvestment ratio	13.96%	13.63%	2

Analysis of change in variance: It is not applicable when the variance is under 20%

8.3.2 Corrective measure to be taken in response to illiquidity: Not applicable.

8.3.3 Liquidity analysis for the coming year

Unit: NT\$1,000

Estimated Cash and Cash Equivalents at Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow	Estimated Cash Surplus (Deficit)	Estimated Remedy for Cash Deficit	
				Investment Plans	Financial Plans
\$58,711,985	\$34,257,000	\$38,020,500	\$54,948,485	\$-	\$-

1. Liquidity analysis for the coming year

(1) Estimated net cash flow from operating activities

The Company reduces production costs through process improvement and automation enhancements as well as manages the balance of inventory and accounts receivable; therefore, the net cash flow is estimated to be grown steadily.

(2) Estimated cash outflow

Estimated cash outflow is described as follows focusing on investing activities and financing activities

a. Investing activities

The Company continues looking for targets for merging, developing and applying technology in intelligent and environment protection industries as well as focusing on capital expenditure and capacity expansion on our own products and automation equipment.

b. Financing activities

The Company estimates to distribute cash dividends, so the cash flow from financing activities will cause greater outflow for the current year.

2. Estimated remedy for cash deficit and liquidity analysis : Not applicable.

► 8.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year.

8.4.1 Major capital expenditures and sources of funds

Unit: NT\$1,000

Project	Actual or expected of funds sources	Actual or expected date of project completion	Required amount	Actual or expected capital expenditures		
				2018	2019	2020
Procurements of self-use machinery and equipment (Note)	Own funds	2021. 12.31	\$28,405,200	\$7,727,557	\$8,130,394	\$12,547,249
Investments in domestic companies	Own funds	2021. 12.31	2,143,412	445,222	1,566,190	132,000
Investments in foreign companies	Own funds	2021. 12.31	46,228,530	44,622,778	1,605,752	0
Procurement (or Construction) of factories and office buildings (Note)	Own funds	2021. 12.31	20,064,701	6,614,949	7,850,434	5,599,318

Note: Includes construction in progress and machineries that require acceptance.

8.4.2 Estimated benefits

- 8.4.2.1 The procured machinery and equipment are primarily applied to research, development, manufacturing and testing. These are not only used for the development of new products, but can also assist in the improvement of product quality and business operations. Delta dedicates its effort in enhancing energy saving, environmental protection and product development techniques in the hope of keeping environmental integrity while making a progress in technological development.
- 8.4.2.2 Investments in domestic and foreign companies are applied to obtain high-tech information and reduce labor costs to diversify company's business operations. The long-term benefits are generated through the technical collaboration among Delta and its peers and alliances, where enhancement of core technologies of the Company and the development of energy saving and environmental protection products are involved. Such collaboration will also result in mid-term benefit to increase the Company's return on investments.

► 8.5 The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

The Company's current investment policy for the year includes a complementary marketing strategy and target as well as non-core investments. The major factor behind investment income in recent years is economies of scale achieved through investment operations, solid implementation of a management system, and competitive products in the market. The Company continues to assist new and unprofitable subsidiaries, enabling some of them to rapidly reduce losses and reach profitability targets.

► 8.6 Risks during the most recent fiscal year and as they stood on the date of publication of the annual report

8.6.1 The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

- 8.6.1.1 Effects of interest rate fluctuations on the Company's profits (losses) and response measures to be taken in the future

Up to the date of the publication of the annual report (April 28th, 2021), the short-term and long-term loans held by the Company can continue revolving funds in accordance with the loan contracts. Under the condition that financial structures are improved, the supplement of middle-to-long term operational funds and the reduction of risks in changes of interest rates will take place, the Company regularly evaluate the financial conditions of the markets and bank rates to make careful decisions on funding options and aim to obtain better interest rates. Therefore, the interest rate fluctuations are considered to have minimal influence on the Company.

- 8.6.1.2 Effects of exchange rate fluctuations on the Company's profits (losses) and response measures to be taken in the future

The main currency of the revenue, account receivables and payables of the Company and subsidiaries are quoted in U.S. dollars. The holding of foreign currency evens out the Company's foreign debt to minimize the risk of exchange rate fluctuations, therefore achieving the natural hedge functions. Furthermore, the Company and subsidiaries had engaged in several transactions that deal with derivatives suffer from low market risks as the effect that exchange rate has on the fair value are offset by the hedging items.

- 8.6.1.3 Effects of changes in inflation rate on the Company's profits (losses) and response measure to be taken in the future

The CPI is 102.31 in the year 2020 with a 0.23% decrease annually. However, the risk of inflation is still considered to fall within the acceptable range. In addition, the changes in inflation rate have no significant effects on the industry that the Company belongs to; therefore, the change in inflation rate does not cause significant effects on the operations of the Company.

8.6.2 The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

8.6.2.1 High-risk investments and highly leveraged investments

Delta mainly engages in R&D, manufacturing and sales activities where high-risk investments, highly leveraged investments are not involved.

8.6.2.2 Loans to other parties, endorsements, guarantees

All loans to other parties, endorsement and guarantees are strictly follow the Company's regulations stated in the "Operating Procedures of Fund Lending" and "Operating Procedures of Endorsement and guarantee". Fund lending or endorsement guarantee is only provided to companies within the group. There were no losses incurred.

8.6.2.3 Derivatives transactions

All derivatives transactions follow the Company's regulations stated in the "Operating Procedures of Acquisition or Disposal of Asset". The derivatives transactions engaged in by Delta are mainly for hedging purposes. The transactions in 2020 on forward exchange agreement (FXA) and swap agreement are used to hedge the influence that the changes of currency exchange pose towards the Company's assets and liabilities. The relative calculations of the fair value are provided based on the assessment done by the banks; the fair value represents the projected amount received or the payment that shall be paid by the Company if the Company is to terminate the contract on the day of the publication of the report, including the unrealized profit and loss occurring from outstanding contracts.

8.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work

Delta has prioritized the satisfaction of customer needs and implementing environment-friendly measures, including the research and development of energy efficient products. Delta has succeeded in the research and development of a variety of new technologies and products in recent years. Delta will persist in R&D work on fields involving computers, servers, communication, network, new energy/storages, smart home appliances, consumer electronics, vehicle-based electronics, industrial products, medical devices and instruments, and so on. Delta follows up the progress of all R&D plans on a regular basis and maintains strict control over it.

The main factors to the success of R&D include cultivation of R&D personnel, mastering of core technology, maintaining the stability of human resources, accumulation of experience and technology, and adequate funding for R&D. Delta is a company passing ISO9001, 14001, ISO13485 and GMP certifications. It has launched a variety of comprehensive trainings for its R&D personnel and keeps the system under control.

So far, Delta has thousands of R&D Engineers, which is sufficient. There has been a 6-9% of the consolidated revenue appropriated stably as the budget for R&D work every year. Take the year 2020 as an example. Including bonuses for its employees, Delta has appropriated a budget of about 25.5 billion New Taiwan Dollars for R&D work, accounting for about 9% of consolidated revenue. Delta R&D centers in the Headquarter and overseas sites will keep going on, reinforce R&D work in frontier core technology and create cooperative plan with domestic and overseas research institution; hence, Delta is predicted to master those main factors to the success of R&D work, develop new niche-based products constantly.

Summary of 2021 R&D projects and estimated target schedule for mass production :

Business Fields	Project	Estimated Production Schedule
Power Electronics	High Level programmable and High Efficiency Power Supply	2022
	High voltage and wide input voltage range DC/DC converter	2021
	High Power USB-PD Adaptor	2022
	The new generation fan with low noise / low power consumption for portable entertainment device	2021
	Communication and industrial enclosure thermal product development	2021~2023
	High efficiency, harsh environment resistance, durable and long life DC fan in new energy solution application	2021
	Slim high thermal conductivity vapor chamber	2021
	Multi-function DC Ventilation Fan with LED lighting	2021
	Thin Film Coil Inductor	2023
	All Pb-free chip resistor and fuse	2021
	Development of alloy powder materials for the high-power reactors applied in HEV/PHEV	2022
	Powertrain inductor	2023
	High current, high precision shunt current sensor device and module	2023
	High Power-Density VRM	2021
	400G-DR4 optical transceiver module for data center application	2021
	800G-PSM8 and 800G-PSM4 optical transceiver modules	2022
	Concept III, Development of 48-V integrated EV power module system	2024
	Development of Software engineering with AutoSAR, ISO 26262, and MBSE	2021
	Development of 800-V traction inverter with 1200-V SiC MOSFET power module	2025
	Developing motor models and its emulator as the electric motor emulator and the loading of traction inverter under test	2024
Automation	ASM-E3M 200V Economic Type Servo Motor 100W-750W (Frame 40/60/80)	2021
	GigE vision industrial standard camera	2021
	New generation of laser displacement sensors	2021
	ASM-B3 200V Servo Motor 4.5kW-15kW (Frame 180/220)	2021
	ASM-B3 400V Servo Motor 100W-15kW (Frame 40/60/80/130/180/220)	2021
	7"DOP-107SV Economic models	2021
	7" DOP-107PV TP coating Front sheet HMI	2021
	4-Axis SCARA robot, Reach 800 mm, Max. payload 22kg	2021
	6-Axis Vertical articulated robot, Reach 1100/1400mm, Max. payload 12kg	2021
	DOP-107HE46ZC CNC & RABD Handheld & Training HMI	2021
	New generation of CNC Controller	2021
	10.1" DUP-110DX Servo screwdriver HMI	2021
	4.3" DUP-103DX Servo screwdriver HMI	2021
	Hi-End Small PLC CPU Unit	2021
	EtherCAT 4/8/16 axes Motion Control Unit	2021
	Servo press B Series	2021
	Special-shaped parts auto-insertion equipment	2021
	Compact panel temperature controller	2021
	3D machine vision measurement system	2021
	Third generation of Servo Screwdriver	2021
	Next-generation high-end elevator drive ED-B	2021
	ASD-B3 Dual Axis Drive	2021

Business Fields	Project	Estimated Production Schedule
Automation	ASD-A3 200v drive (4.5kW-15kW)	2021
	ASD-A3 400v drive (400w-15kW)	2021
	ASD-B3 400v drive (400w-15kW)	2021
	ASM-B3H/B3G Ultra-high Inertia Type 400W/750W	2021
	New Generation Multi Axis Drive-integrated Motion Controller	2021
	3D TOF Sensors	2021
	Cloud based Building Management System	2021
	LPAD-7, 7"programmable touch panel	2021
	Smart Building iBMS Platform	2021
	Air Quality Management Platform in Cloud	2021
	BIC Sensing Technology Platform – An easy installation and configuration technology platform for sensors.	2021/2022
Infrastructure	480V High power density 300/500kVA modular UPS	2021
	Extremely high efficiency 1200/1500kVA UPS for large data center application	2021
	High reliability 250/800/1800A static transfer switch	2021
	Intelligent switched rack-mounted power distribution unit_ three phase 16/32A	2021
	New cooling solution for high power computing	2021
	High efficiency high power density 2kVA 1U/2U with parallel function inverter module	2021
	High efficiency 1kW rectifier module	2021
	High efficiency IP65 3kW charger	2021
	1G/10G/25G/100G/400G Disaggregated Cell Site Gateway (DCSG)	2021
	400G Virtual Chassis switch	2022
	800G datacenter super spine switch	2022
	250KW String inverter	2021
	50KW Energy storage system for residential / commercial building	2021
	4.5kW/5KW/5.5KW single phase hybrid energy storage system with micro grid function for residential / commercial building	2021
	Slim-type Wall-mount 50kW DC Charger	2021
	Smart 22KW AC Charger	2021
	3-chip DLP native 4K-120Hz pure RGB laser projector	2022
	High brightness Large Venue laser projector with motorize optional lens family and ultra short throw lens projector	2022
	Energy Storage System for 250KW/500KWh Cabinet Design	2021
	Energy Storage System EMS for IEC61850 Development	2021
	Outdoor type LFP 100Ah battery cabinet	2021
	Outdoor type LFP 280Ah battery cabinet	2021
	The PV, EV and ESS integrated energy management system	2021
	600kW and 1.2MW DC to DC converter	2021
	125kW PCS for energy storage system	2021
	1.5MW air cooled and 4.5MW liquid cooled PCS for energy storage system	2021
	4.8MW FPC wind power converter	2021
	6MW power stack product	2021
	Solid-state transformer based charging equipment with isolated multi-charging gun	2021
	Applied in data center medium voltage solid state transformer	2021
Development of new generation power regenerative medium voltage drive series	2021	
F1.8_360 degree fisheye lens module development project	2021	

Business Fields	Project	Estimated Production Schedule
Infrastructure	Electric Vehicle power Electronic Component Automatic Test System	2021
	Artificial intelligence (AI) baggage X-ray scanner system	2022
	High resolution veterinary CT	2022
	High-precision automatic X-ray inspection machine	2021
	High precision GOD blood glucose monitoring system	2022
	Handheld and high precision blood typing micro mixer	2021
	Optical Coherence Tomography	2021

8.6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

Delta's operations team pays close attention to relevant domestic and international policies and laws, as well as conduct risk management and corresponding plans through its business units and functional units located worldwide. In 2019 and up to the publication date of this annual report, there have been no policy and regulatory changes that have had any significant impact on Delta's financial business.

8.6.5 Effect on the Company's financial operations of development in science and technology as well as industrial change, and measures to be taken in response

In recent years, applications related to electric vehicles, 5G, and energy infrastructure have become increasingly popular around the world. Delta extends its products and solutions in existing power supplies, industrial automation and other related fields, and continues innovating and developing electric vehicle power systems, charging stations, data center infrastructure, communication transmission devices, renewable energy power storage and management, etc. that have been widely recognized by customers in various markets.

In view of the rapid development of science and technology, and in response to industry competition, Delta still needs to continue investing more in the above-mentioned industries in order to establish long-term technology and market leadership. In addition to investing considerable resources in technology research and development to establish key technologies, it is also committed to cooperating with industry, government and academia sectors to promote industrial alliances; and to expand upstream and downstream industrial cooperation. In terms of market expansion, Delta is also committed to expanding its global sales and service network and establishing extensive channel partnerships. It is expected that the investment of these related resources will help Delta implement its long-term growth strategy and create specific revenue and profit in the next few years.

8.6.6 Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

Delta continues to strengthen corporate governance by independent directors in the Board of Directors and establishing functional committees such as Compensation Committee and Audit committee. This is done to ensure the improvement of compensation structures while setting the rightful performance goals for the Board of Directors and managers. The Company also effectively promotes internal control and risk management to cope with potential corporate challenges. In addition, Delta has consistently and promptly disclosed material information to shareholders in accordance with regulations to ensure information transparency and symmetry.

Delta, as a corporate member of the community, focuses not only on business development, but also carries the weight of investing and implementing corporate social responsibility. Its employees are highly committed to helping create a good corporate image. Such effort has been widely recognized and nearly around 65 percent of Delta's shares are held by foreign institutional shareholders, which suggest a general appreciation of the methods Delta partakes in approaching corporate social responsibility.

In emergency incidents or events, Delta immediately implements an emergency contingency plan. The CEO of Delta acts as the emergency contingency team leader and gathers all managers from different departments (i.e., legal, finance, sales, human resources and corporate communications). The contingency team is tasked to perform various functions in order to swiftly provide impact assessments on the Company's business development, financial situation and other aspects of business operations with respect to the emergency event encountered. In addition, the Company shall prepare and issue related communiqués to potential shareholders, such as government agencies, institutions, clients, dealers, and employees, etc, to ensure information transparency and immediacy.

8.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

Delta Electronics (Netherlands) B.V., a wholly-owned subsidiary of the Company, acquired 100% of the shares of Trihedral Engineering Limited (hereinafter referred to as "Trihedral") for CAD 45 million (approx. NTD 950 million) and the transaction has been completed in the 4th quarter of 2020. Trihedral has designed and sold market leading SCADA software for more than 30 years, in the segments of water/wastewater, oil &

gas, energy and more. Their unwavering focus to enhance the SCADA platform for its present use and for use in new markets, including smart manufacturing, aligns perfectly with Delta's long-term strategy. This acquisition is the Company's first overseas industrial automation-related merger and acquisition.

The acquisition will unite the strengths of Delta's hardware and Trihedral's software in the rapidly growing field of Automation, AI, and Data Analytics, which is expected to further strengthen the sales expansion in various fields such as industrial automation for smart manufacturing. With the continued proliferation of the Internet of Things, customers expect digital oversight and management of their operations. The collecting, monitoring and analyzing of data are critical to Delta's two major growth engines of the future - smart manufacturing and smart cities.

CYNTEC CO., LTD. (CYNTEC), the Company's subsidiary, resolved a share exchange by offering NT\$25/ per share in cash in exchange for shares of Power Forest Technology Corporate (Power Forest). The share exchange completed in the fourth quarter of 2020 and Power Forest become a subsidiary with 100% shareholdings owned by CYNTEC. Before the share exchange, CYNTEC owns 59.03% shareholdings of Power Forest. The major business of CYNTEC is research, development, manufacturing, and sale of passive components and power module. The major business of Power Forest is IC design of power management. It is expected to consolidate the resources, improve operational efficiency and enhance competitiveness by the share exchange.

8.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

For the growth of revenue and profitability, Delta puts in more investment on expanding plants and equipments to increase production capacity and efficiency based on research and expansion requirements in order to enlarge market share and to explore new markets. The possible risks include the global economic recession, demand mitigation from end users, below- expectation of market demand and postponement of research and development schedule. Delta's strategies for the possible risks are to strive for larger market share and outsourcing ratio of customers through product innovation and competitive cost and providing total solution, etc. Therefore, even the market demand becomes slow, Delta can still grow steadily for market share expansion. As for the speed of new product development, Delta takes systematic approaches to plan, execute, monitor and supervise improvement. Moreover, the possible risks of impact should be avoided by means of Delta's long-standing accumulated technical advantages and the increased R&D team with great ability of flexible adjustments.

8.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

The entities of purchase and sales of Delta and its subsidiaries are quite diversified. The purchase from single suppliers did not reach 10% of Delta consolidated net purchases, and sales to single customers did not reach 10% of Delta consolidated net revenue; therefore, it is viewed as low risk.

8.6.10 Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

In 2020 and as of the date of publication of the annual report, there was no major quantity of shares being transferred or changed hands.

8.6.11 Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

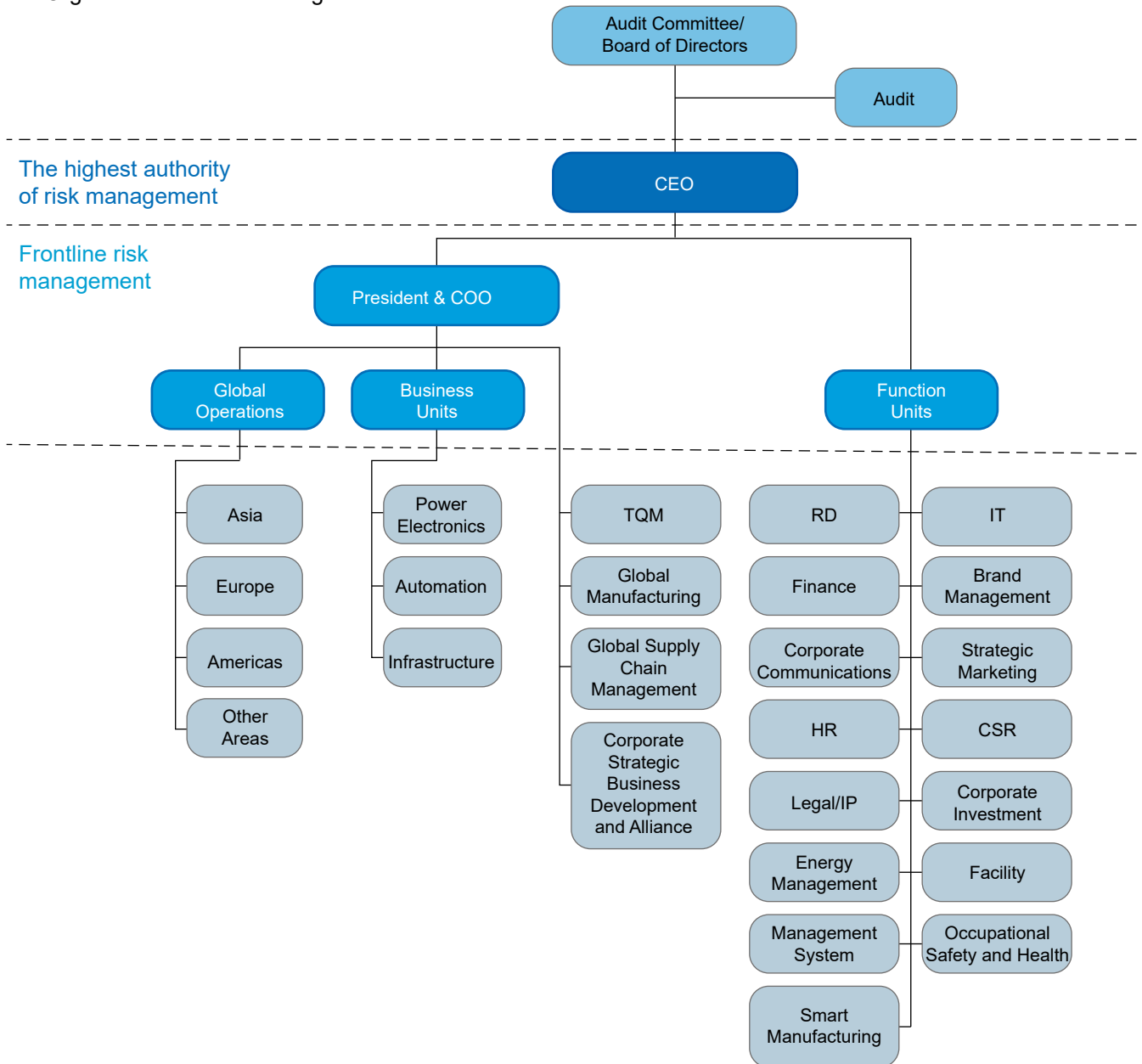
There was no any change in governance personnel or top management in 2020 and as of the date of publication of the annual report.

8.6.12 Litigious and non-litigious matters

Number	Plaintiff	Defendant	Case Number	Offense charged	Case summary
1	SAE Power Incorporated; SAE Power Company	Delta Electronics (Americas) Ltd.	SAE Power Inc., v. Delta Electronics (Americas) Ltd. (formerly "Delta Products Corporation") Docket No. ESX-L-1136-11	Misappropriation of trade secrets	Plaintiff filed a claim against the defendant for misappropriation of trade secrets and asked for USD40 million as compensation. The co-defendant in this case, Avaya, has completed the process of filing for bankruptcy; the case is therefore resumed and undergoes legal proceedings.
2	SAE Power Incorporated; SAE Power Company	Delta Electronics, Inc., etc.	SAE Power Incorporated et al. v. Delta Electronics (Thailand) Public Company Limited et al. Docket No. 5:16cv07197NC	Misappropriation of trade secrets	Plaintiff filed a claim against the defendant for misappropriation of trade secrets. Requests were made to the defendant to cease all production and sales activities of products related to the plaintiff's trade secrets. Compensation for damage and loss of interests were also requested by the plaintiff. This case is currently on hold.
3.	Barco N.V.	Delta Electronics, Inc., Delta Electronics (Netherlands) B.V.	Court of the Hague, Case Number: C/09/562325	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement. Requests were made to the defendant and its relative companies in ceasing all sales activities of the products in relation to the patent in the Netherlands. Compensation for the damage and loss of interests is also requested by the plaintiff. After the Company's defense, the court of first instance in the Netherlands ruled that the plaintiff's patent was invalid and the Company won the case, and requested the plaintiff to compensate the Company's attorney's fees for the first instance.
4	Bandspeed, LLC	Delta Electronics, Inc.; Delta Electronics (Americas), Ltd.	U.S. District Court for the Western District of Texas. Docket No. 1:20-cv-00887	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant and affiliates to be liable for all damages caused to the defendant. The Company has appointed an attorney for defense.
5	Appotronics Corp.	Delta Electronics (Shanghai) Co., Ltd.	A total of 5 cases in Shenzhen Intermediate People's Court (2019) Yueh-03-Mingchu2943-2944, 2946, 2948, 2951	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant and affiliates to be liable for all damages caused. The Company has appointed an attorney for defense.
6	Appotronics Corp.	Delta Electronics (Shanghai) Co., Ltd. ;Delta Greentech (China) Co., Ltd., etc.	A total of 15 cases in Guangzhou Intellectual Property Rights Court (2020) Yueh-73-Chimingchu1335-1341, 353, 1355-1361	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant and affiliates to be liable for all damages caused. The Company has appointed an attorney for defense.

8.6.13 Other important risks, and mitigation measures being or to be taken:

I. Delta Risk Management Organization of Risk Management



Scope of Risk Management

Responsibility of departments for each risk factor is identified in the Delta Group Risk Management Policy, and each department shall implement a sound risk management mechanism, the following procedures of risk management, including risk identification, risk assessment, risk control, risk monitoring and communication, apply to each risk factor and the formulation of action plans towards appropriate risk management. For crisis events involving cross-departments or cross-plants, CEO or the person designated by CEO shall be responsible for direction and coordination to identify feasible strategies to prevent crisis events and formulate crisis management procedures and recovery plans.

The Group has identified risk factors including strategic, operational, financial, hazardous events and compliance:

1. Strategic

- Changes in industry

- Changes in technology
- Establishment of business models
- Responsiveness of organizational structure

2. Operational

- Market demand and capacity expansion
- Business continuity operation (Business interruption risk including supply chain disruption or production disruption)
- Information security
- Supply chain management
- Intellectual property rights
- Customer concentration
- Corporate image
- Talent attraction, recruitment and training of personnel
- Strategic investment

3. Financial

- Interest rate, foreign exchange rate and inflation
- Taxation
- Credit
- Liquidity
- High-risk and/or highly leveraged financial investments, derivative transactions

4. Hazardous Events

- Climate change
- Occupational safety and health
- Fire or other man-made disaster (inclusive of restriction of hazardous substances in products or manufacturing)
- Natural disaster

5. Compliance

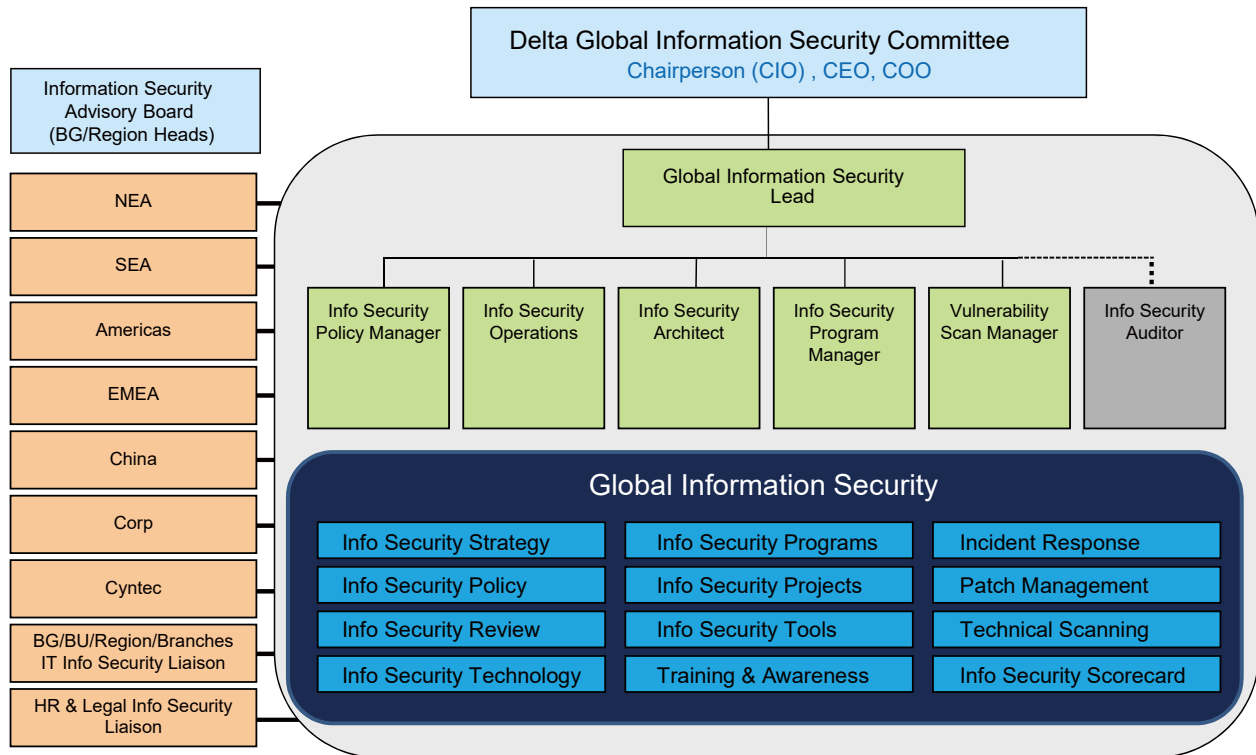
- Environment regulations (inclusive of carbon pricing, energy tax, renewable energy regulations, and others.)
- Antitrust, anti-corruption and fraud
- Personal data protection

Implementation of Risk Management

CEO of the Company proposed the establishment of the Delta Group Risk Management Policy to the Board of Directors for approval in 2020. Regarding the implementation of the Group's risk management, CEO or the person designated by CEO reports to the Board of Directors once a year. Delta top management team established an internal global command center at the end of January 2020 responsible for the COVID-19. The command center has developed "Delta's Novel Coronavirus Prevention Plan" for the Company's global sites, and satellite teams led by regional heads from our key regions, such as Mainland China, South East Asia, North East Asia, EMEA (Europe, Middle East & Africa) and the Americas. Delta's global command center actively monitors the epidemic outbreaks and assists all regions in implementing relevant prevention strategies, meanwhile, in every regular meetings of Board of Directors, Delta's Chief Sustainability Officer reports to all directors about the COVID-19 updates, number of confirmed cases of employees and epidemic prevention materials, etc

II. Delta Information Security

1. Organizational Chart of Delta Information Security



2. Delta Information Security Policy

Delta Group's global employees and contracted personnel shall observe the Delta Information Security Policy as follows:

- Internet user policy
- Corporate E-mail user policy
- Computer user policy
- Anti-virus/DLP arrangement and user policy
- Process and security principle of storage media
- Password principle
- Information backup and recovery policy
- Event management policy
- Acceptable use of mobile devices
- Encryption and its policy
- The use of device and countermeasures
- Mobile computation and remote work policy
- Remote access policy

3. Construction and risk assessment for information security management system

- In response to increasing demands on the outsourcing market for customers' information, Delta implemented the Information Security Management System in 2018 to identify, manage and continue improving the security

needs of customers' information, which may be encountered internally and externally, based on information security management regulations set forth in ISO 27001:2013 published by the International Organization for Standardization (ISO) in order to ensure the confidentiality, completeness and availability of customers' information asset.

- Delta has stipulated assessment policy on information security risk, requesting all aspects of information security, including but not limited to physical objects, network, environment and constant operation to be in compliance with international security standards; besides, Delta also has set up an emergency response plan, including quick response to potential events, crisis process and disaster recovery, constant improvement, and high-risk event measures.

4. Re-validation of the Information Security Management System (ISMS)

- Date: 2020/7/8~2020/7/9
- Scope: Delta introduces the New Product Introduction (NPI – New Product Introduction) process, IT data center, network and Enterprise Resource Planning System (ERP).
- There was no non-compliance found by independent validation institution SGS to pass the ISO27001:2013 Certificate re-validation.

5. Delta Electronics (Wuhu) Co., Ltd., Delta Electronics (Dongguan) Co., Ltd., Delta Networks (Doanguan) Ltd., Delta Electronics (Chenzhou) Co., Ltd. have obtain China Customs Advanced Certification in 2020

6. The impact of historically severe information security events and countermeasures

- No severe information security events occurred in the latest year and as of the day of publishment of the annual report.

► 8.7 Other important matters

The method and assumptions used for estimating the fair value of the financial instruments are as follows:

1. For the Group's financial instruments that are not measured at fair value such as cash, cash equivalent, notes receivable, accounts receivable, other receivable, short-term loan, notes payable, accounts payable, other payable, and long-term loan (includes those with a due date that is less than one year or one business cycle), the book value is a reasonable close to the fair value.
2. For the Group's financial instruments that are measured at fair value, they are classified based on the nature, characteristics and risks and fair value hierarchy of the assets and liabilities. For information on fair value, please refer to note 12 (3) on the 2020 consolidated financial statement.

9. Special Items

► 9.1 Affiliates information (2020/12/31)

9.1.1 Affiliated Companies of Delta Electronics, Inc.



9.1.2 Affiliated Companies

As of the year ended December 31, 2020

Amounts in Thousands of New Taiwan Dollars or Thousands of Foreign Currencies

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics, Inc.	1971/4	Taoyuan City, Taiwan	TWD	25,975,433	Research and development, design manufacturing and sale of electronic control systems, DC brushless fans, thermal system, and miniaturization key component, industrial automation products, digital display products, communication products, consumer electronics products, energy-saving lighting application, renewable energy applications, EV charging, energy technology services and consulting services of building management and control solutions, etc.
Delta International Holding Limited	1993/6	Malta	TWD	1,901,470	Equity investments
			USD	67,680	
Delta Electronics (Japan), Inc.	1991/11	Tokyo, Japan	TWD	75,880	Sales of power products, display solution products, electronic components, industrial automation products and materials
			JPY	280,000	
Delta Electronics (H.K.) Ltd.	1994/8	Hong Kong	TWD	9,236,105	Equity investments, operations management and engineering services
			HKD	2,549,298	
Delta Electronics (Dongguan) Co., Ltd.	1993/10	Dongguan City, Guangdong Province, China	TWD	2,747,972	Manufacturing and sales of transformer and thermal products
			USD	97,810	
Delta Networks (Dongguan) Ltd.	1998/10	Dongguan City, Guangdong Province, China	TWD	983,325	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system
			USD	35,000	
Delta Electronics Power (Dongguan) Co., Ltd.	1998/12	Dongguan City, Guangdong Province, China	TWD	1,182,800	Manufacturing and sales of power supplies
			USD	42,100	
Addtron Technology (Japan), Inc.	1998/3	Tokyo, Japan	TWD	9,756	Trading of networking system and peripherals
			JPY	36,000	
DEI Logistics (USA) Corp.	2000/1	CA, USA	TWD	28,095	Warehousing and logistics services
			USD	1,000	
Delta Electronics (Jiangsu) Ltd.	1999/12	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	1,123,800	Manufacturing and sales of power supplies and transformers
			USD	40,000	
Delta Electronics Components (Wujiang) Ltd.	2000/8	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	3,309,872	Manufacturing and sales of new-type electronic components, variable-frequency drive and others
			USD	117,810	
Delta Video Display System (Wujiang) Ltd.	2001/2	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	814,755	Manufacturing and sales of various projectors
			USD	29,000	
Delta Networks Holding Limited	2002/11	Cayman Islands	TWD	50,572	Equity investments
			USD	1,800	
Delta Networks Inc.	2002/11	Cayman Islands	TWD	1,681,326	Equity investments
			USD	59,844	
Delta Electronics (Shanghai) Co., Ltd.	2003/12	Shanghai, China	TWD	3,412,574	Product design, management consulting service and distribution of electronic products
			RMB	793,170	
Delta Electronics (Korea), Inc.	2004/3	Seoul, Korea	TWD	1,285	Sales of power products, display solution products electronic components, industrial automation products and their materials
			KRW	50,000	
Delta Electronics (Netherlands) B.V.	2000/2	The Netherlands	TWD	3,970,989	Sales of power products, display solution products, electronic components, industrial automation products and materials
			USD	141,341	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics (Wuhu) Co., Ltd.	2006/12	Wuhu Economic and Technological Development Area, Anhui Province, China	TWD	3,764,730	Manufacturing and sales of LED light source, power supplies and others
			USD	134,000	
Delta Electronics (Chenzhou) Co., Ltd.	2007/10	Suxian District, Chenzhou City, Hunan Province, China	TWD	1,769,985	Manufacturing and sales of transformers
			USD	63,000	
Delta Networks (H.K.) Limited	2007/10	Hong Kong	TWD	983,325	Equity investments
			USD	35,000	
PreOptix (Hong Kong) Co., Ltd.	2008/6	Hong Kong	TWD	0	Equity investments
			USD	0	
Cyntec Co., Ltd.	1991/10	Hsinchu County, Taiwan	TWD	23,412,043	Research, development, manufacturing and sales of film optic-electronics devices
Fairview Assets Ltd.	2000/1	Cayman Islands	TWD	919,832	Equity investments
			USD	32,740	
Grandview Holding Ltd.	2006/7	Cayman Islands	TWD	5,683,619	Equity investments
			USD	207,300	
Cyntec Holding (HK) Limited	2007/11	Hong Kong	TWD	202,300	Equity investments
			USD	5,675,190	
Cyntec International Limited	2006/10	Labuan, Malaysia	TWD	5,000	Trading
			USD	5,675,190	
Cyntec Electronics (Suzhou) Co., Ltd.	2006/9	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	5,675,190	Research, development, manufacturing and sales of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and wholesale of similar products
			USD	202,000	
Chenzhou Delta Technology Co., Ltd.	2010/4	Suxian District, Chenzhou City, Hunan Province, China	TWD	109,712	Manufacturing and sales of transformers
			RMB	25,500	
DelBio Inc.	2010/5	Taoyuan City, Taiwan	TWD	217,618	Manufacturing, wholesale and retail of medical equipment
Delta Electronics Capital Company	2010/9	Taipei City, Taiwan	TWD	3,500,000	Equity investments
Delta Electronics Int'l (Singapore) Pte. Ltd.	2010/8	Singapore	TWD	956,704	Research, development and sales of electronics products
			SGD	45,234	
Delta Electronics International Mexico S.A. DE C.V.	2010/10	Mexico	TWD	162,185	Sales of power management system of industrial automation product and telecommunications equipment
			MXN	115,730	
Allied Material Technology Corp.	2000/5	Taoyuan City, Taiwan	TWD	2,114,580	Lease services, etc.
Delta Green (Tianjin) Industries Co., Ltd.	1998/11	Tianjin Port Free Trade Zone, China	TWD	127,270	Manufacturing and sales of transformers
			USD	4,530	
Drake Investment (HK) Limited	2007/10	Hong Kong	TWD	1,103,219	Equity investments
			HKD	304,504	
Delta Greentech (China) Co., Ltd.	1992/3	Shanghai, China	TWD	2,443,792	Sales of uninterruptible power systems and others
			RMB	568,000	
Delta Energy Technology (Shanghai) Co., Ltd.	2012/8	Shanghai, China	TWD	43,025	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.
			RMB	10,000	
Vivitek Corporation	2005/3	CA, USA	TWD	252,855	Sales of projector products and their materials
			USD	9,000	
DelBio (Wujiang) Co., Ltd.	2013/1	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	112,380	Manufacturing, wholesale and retail of medical equipment
			USD	4,000	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Greentech SGP Pte. Ltd.	2007/11	Singapore	TWD	342,070	Equity investments
			USD	12,175	
Delta Electronics Europe Ltd.	1989/9	UK	TWD	18,955	Repair centre and providing support services
			GBP	500	
Boom Treasure Limited	2007/12	Hong Kong	TWD	0	Equity investments
			USD	0.00013	
Delta Electronics (Pingtan) Co., Ltd.	2014/9	Pingtan, China	TWD	129,074	Wholesale and retail of electronic products and energy-saving equipment
			RMB	30,000	
Eltek AS	1997/5	Norway	TWD	152,883	Research, development and sales of power supplies and others
			NOK	46,766	
ELTEK PAKISTAN (PRIVATE) LIMITED	2001/4	Islamabad, Pakistan	TWD	47,083	Sales of power supplies and others
			PKR	269,000	
Eltek Egypt for Power Supply S.A.E.	2007/1	Cairo, Egypt	TWD	49,517	Sales of power supplies and others
			EGP	27,690	
Eltek SGS Pvt Ltd.	1996/9	Haryana, India	TWD	2,947	Sales of power supplies and others and system installation
			INR	7,720	
Eltek SGS Mechanics Pvt Ltd.	2006/7	New Delhi, India	TWD	122,520	Sales of power supplies and others
			INR	320,918	
Eltek MEA DMCC	2010/3	Dubai, UAE	TWD	1,526	Sales of power supplies and others
			USD	54	
ELTEK KENYA LIMITED	2012/2	Nairobi, Kenya	TWD	3	Sales of power supplies
			KES	10	
ELTEK WEST AFRICA LIMITED	2012/3	Lagos, Nigeria	TWD	1,104	Sales of power supplies
			NGN	15,000	
Eltek Polska Sp. z o.o.	2001/7	Poland	TWD	1,840	Sales of power supplies and others
			PLN	240	
Eltek Italia S.r.l.	2008/11	Roma, Italy	TWD	3,958	Sales of power supplies and others
			EUR	115	
ELTEK POWER FRANCE SAS	1966/5	Tarbes, France	TWD	17,527	Sales of power supplies and others
			EUR	509	
Eltek Power (UK) Ltd.	1983/9	UK	TWD	19,798	Sales of power supplies
			GBP	522	
Delta Electronics (Sweden) AB	1998/6	Sollentuna, Sweden	TWD	409	Sales of power supplies
			SEK	120	
Eltek Power Oy	2005/2	Espoo, Finland	TWD	6,884	Sales of power supplies and others
			EUR	200	
OOO Eltek	2001/4	St. Petersburg, Russia	TWD	55	Sales of power supplies and others and system installation
			RUB	144	
Eltek Deutschland GmbH	2002/1	Frankfurt am Main, Germany	TWD	68,840	Sales of power supplies and others and system installation
			EUR	2,000	
Eltek Montage GmbH	1995/8	Frankfurt am Main, Germany	TWD	2,650	Installation and maintenance of power supplies
			EUR	77	
ELTEK LIMITED	1994/3	Hong Kong	TWD	3,623	Equity investments and trading
			HKD	1,000	
ELTEK AUSTRALIA PTY LIMITED	1996/2	Belrose, Australia	TWD	38,430	Sales of power supplies and others and system installation
			AUD	1,800	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
ELTEK POWER INCORPORATED	2004/5	Ortigas Pasig City, Philippines	TWD	6,665	Sales of power supplies and others
			PHP	11,400	
ELTEK POWER CO., LTD.	2005/8	Bangkok, Thailand	TWD	3,758	Sales of power supplies and others
			THB	4,000	
ELTEK POWER (CAMBODIA) LTD.	2009/10	Phnom Penh, Cambodia	TWD	140	Sales of power supplies and others
			USD	5	
ELTEK POWER (MALAYSIA) SDN. BHD.	1997/2	Kuala Lumpur, Malaysia	TWD	2,081	Sales of power supplies and others
			MYR	300	
DELTA ELECTRONICS HOLDING (USA) INC.	2007/4	TX, USA	TWD	298	Equity investments
			USD	11	
DELTA ELECTRONICS (USA) INC.	2001/1	TX, USA	TWD	0	Manufacturing and sales of power supplies
			USD	0.00318	
DELTA ELECTRONICS (ARGENTINA) S.R.L.	2010/4	Córdoba, Argentina	TWD	8,273	Sales of power supplies and others
			ARS	24,683	
Eltek Sistemas de Energia Industria e Comercio S.A.	2004/11	São José Dos Campos, Brazil	TWD	445,032	Manufacturing and sales of power supplies
			BRL	84,984	
DELTA ELECTRONICS (PERU) INC. S.R.L.	2001/6	Lima, Peru	TWD	76,335	Sales of power supplies and others
			PEN	9,781	
DELTA ELECTRONICS (COLOMBIA) S.A.S	2011/6	Bogotá, Colombia	TWD	6,437	Sales of power supplies and others
			COP	801,614	
Eltekenenergy Services, S.A. de C.V.	1997/4	Naucalpan, Mexico	TWD	485	Sales of power supplies and others
			MXN	346	
Eltekenenergy International de Mexico, S. de R.L. de C.V.	1997/4	Naucalpan, Mexico	TWD	29,352	Sales of power supplies and others
			MXN	20,945	
Eltek Energy Technology (Dongguan) Ltd.	2000/10	Dongguan City, Guangdong Province, China	TWD	207,903	Development, manufacturing and sale of intelligent power equipment and system for supporting access networking system, and manufacturing and sale of intelligent power equipment for supporting renewable energy
			USD	7,400	
DSS-CI LLC	2010/4	CA, USA	TWD	11,238	Rental of solar power systems
			USD	400	
DSS-USF LLC	2010/4	CA, USA	TWD	52,397	Rental of solar power systems
			USD	1,865	
Delta Solar Solutions LLC	2010/4	New Castle DE, USA	TWD	63,776	Equity investments
			USD	2,270	
Delta Electronics (Americas) Ltd.	1985/3	CA, USA	TWD	1,089	Sales of electronic components
			USD	39	
Delta America Ltd.	1988/9	Delaware, USA	TWD	575	Equity investments
			USD	20	
Apex Investment (HK) Limited	2007/10	Hong Kong	TWD	0	Equity investments
			USD	0	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Galaxy Star Investment (HK) Limited	2007/10	Hong Kong	TWD	0	Equity investments
			USD	0	
Jade Investment (HK) Limited	2007/10	Hong Kong	TWD	0	Equity investments
			USD	0	
Power Forest Technology Corporation	2009/11	Hsinchu County, Taiwan	TWD	154,320	IC design of power management
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	2015/12	Shanghai, China	TWD	430	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment
			RMB	100	
Delta Controls Inc.	2016/4	British Columbia, Canada	TWD	2,124,870	Provide resolution of building management and control
			CAD	96,938	
Loy Tec electronics GmbH	1999/5	Vienna, Austria	TWD	1,205	Consulting service of building management and control solutions
			EUR	35	
Delta Electronics (Xi'an) Co., Ltd.	2016/10	Xi'an, China	TWD	236,635	Sales of computer, peripheral and software
			RMB	55,000	
Delta Electronics (Beijing) Co., Ltd.	2016/7	Beijing, China	TWD	215,123	Installation of mechanic, electronic, telecommunication and circuit equipment
			RMB	50,000	
Delta Electronics (Switzerland) AG	1992/12	Bern-Bümpliz, Switzerland	TWD	316,750	Equity investments, research, development and sales of electronic products
			CHF	10,000	
Delta Electronics (Czech Republic), spol. s.r.o.	1991/8	Czech Republic	TWD	10,463	Sales of electronic products
			CZK	8,000	
Delta Solutions (Finland) Oy	1991/5	Espoo, Finland	TWD	4,631	Sales of electronic products
			EUR	135	
Delta Electronics (France) SA	1997/7	LISSES, France	TWD	34,420	Sales of electronic products
			EUR	1,000	
Delta Electronics (Italy) S.r.l.	1994/11	Roma, Italy	TWD	3,442	Sales of electronic products
			EUR	100	
Delta Electronics Solutions (Spain) SL	2003/7	Spain	TWD	6,884	Sales of electronic products
			EUR	200	
Delta Energy Systems (Sweden) AB	1991/6	Sweden	TWD	6,854	Sales of electronic products
			SEK	2,010	
Delta Electronics (Poland) Sp. z o.o.	2004/8	Warsaw, Poland	TWD	19,170	Sales of electronic products
			PLN	2,500	
Delta Greentech (Brasil) S.A.	2000/6	Bairro Afonso, Brasil	TWD	205,106	Manufacturing and sales of electronic products
			BRL	38,306	
Delta Greentech Electronics Industry LLC	2008/4	Istanbul, Turkey	TWD	89,144	Marketing and sales of electronic products
			TRY	23,517	
DELTA ELECTRONICS BRASIL LTDA.	2017/9	State of São Paulo, Brazil	TWD	465,828	Manufacturing and sales of electronic products
			BRL	87,000	
Vivotek Inc.	2000/2	New Taipei City, Taiwan	TWD	869,574	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components
Vatics Inc.	2007/9	CA, USA	TWD	280,452	Designing and sales of multimedia integrated circuits
Vivotek Holding, Inc.	2008/1	CA, USA	TWD	29,500	Holding company
			USD	1,050	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Vivotek USA, Inc.	2008/1	CA, USA	TWD	28,095	Sales of webcams and related components
			USD	1,000	
Realwin Investment Inc.	2012/1	New Taipei City, Taiwan	TWD	173,696	Investment in the network communications industry
Wellstates Investment, LLC	2012/10	CA, USA	TWD	33,714	Investment and commercial lease of real estate
			USD	1,200	
Vivotek Netherlands B.V.	2012/9	The Netherlands	TWD	10,326	Sales service
			EUR	300	
Otus Imaging, Inc.	2014/1	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components
Aetek Inc.	2015/3	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components
Vivotek Middle East FZCO	2015/2	Dubai, United Arab Emirates	TWD	11,238	Sales of webcams and related components
			AED	1,469	
Lidlight Inc.	2017/2	New Taipei City, Taiwan	TWD	20,000	Sale of lighting equipment
Vivotek (Japan) Inc.	2018/10	Tokyo, Japan	TWD	17,886	Sales service
			JPY	66,000	
Delta Electronics (Thailand) Public Company Limited	1988/6	Thailand	TWD	1,172,040	Manufacture and exporting power supplies, other electronics parts and components
			THB	1,247,382	
DET International Holding Ltd.	1997/11	Cayman Islands	TWD	7,427,119	Equity investment
			USD	264,357	
DET Logistics (USA) Corporation	2000/1	CA, USA	TWD	14,048	Providing logistics services in USA
			USD	500	
Delta Energy Systems (Germany) GmbH	1978/7	Soest, Germany	TWD	629,920	Development, marketing and sales of electronic products
			EUR	18,301	
Delta Energy Systems Property (Germany) GmbH	2013/8	Soest, Germany	TWD	861	Property rights business
			EUR	25	
Delta Energy Systems (India) Private Ltd.	1996/11	Haryana, India	TWD	187,254	Marketing and sales of electronic products
			INR	490,476	
Delta Electronics (Slovakia) s.r.o	2006/7	Slovakia	TWD	1,621,903	Manufacturing and sales of power supplies, power system and OEM power system
			EUR	47,121	
Delta Energy Systems (Romania) S.R.L.	1993/1	Romania	TWD	2,791	Research and development
			RON	395	
Delta Energy Systems (Singapore) Pte. Ltd.	2011/2	Singapore	TWD	4,867,841	Equity investments, trading, management and consultancy
			USD	173,264	
Delta Electronics (Australia) Pty. Ltd.	2010/12	Australia	TWD	71,074	Marketing and sales of renewable energy products
			AUD	3,329	
Delta Electronics India Pvt. Ltd.	2008/6	Chennai, India	TWD	3,161,477	Manufacturing and marketing of non-telecom power system and uninterruptible power supply, and sales of uninterruptible power supply
			INR	8,280,888	
Delta Electronics (Myanmar) Co., Ltd.	2015/10	Yangon, Myanmar	TWD	66,023	Manufacturing of electronics products used in CMP manufacturing process and machinery
			USD	2,350	
Delta Energy Systems (UK) Ltd.	2018/5	UK	TWD	26,537	Research and development of electronic products
			GBP	700	
Delta PBA Engineering Solutions Co., Ltd.	2017/9	Thailand	TWD	32,886	Providing solutions for industrial automation
			THB	35,000	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Greentech (Netherlands) Cooperatie U.A.	2008/3	The Netherlands	TWD	929,243	Equity investments
			EUR	26,997	
Delta Greentech (Netherlands) B.V.	2008/3	The Netherlands	TWD	927,178	Equity investments
			EUR	26,937	
Delta Energy Systems LLC	2004/9	Moscow, Russia	TWD	11	Marketing and sales of power systems
			RUB	30	
Eltek s.r.o.	2004/12	Slovakia	TWD	114,253	Manufacturing of telecom power system
			EUR	3,319	
Delta Electronics (Automotive) Americas Inc.	2018/2	Michigan, USA	TWD	70,238	Research and development of automotive power and traction inverter
			USD	2,500	
Delta Green Industrial (Thailand) Co., Ltd.	2010/11	Thailand	TWD	193,558	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center
			THB	206,000	
Amerlux, LLC	1983/9	NJ, USA	TWD	0	Design and producing of dedicated lighting system and facilities
			USD	0	
Amerlux Lighting Asia, LLC	2010/2	NJ, USA	TWD	0	Equity investments
			USD	0	
Amerlux Lighting Hong Kong Limited	2010/3	Hong Kong	TWD	36	Equity investments
			HKD	10	
Guangzhou Amerlux Lighting Co., Ltd.	2010/12	Guangzhou City, China	TWD	13,345	Wholesale of lighting fixture and decorative objects
			USD	475	
Digital Projection International Limited	2001/11	UK	TWD	1,370	Equity investments
			GBP	36	
Digital Projection Holdings Limited	1996/11	UK	TWD	15,363	Equity investments
			GBP	405	
Digital Projection Limited	1996/12	UK	TWD	1,635	Research, development and sales of projector products
			GBP	43	
Digital Projection Incorporated	1996/7	USA	TWD	561,900	Sales of projector products
			USD	20,000	
CYNTEC ELECTRONICS (WUHU) CO., LTD	2020/1	Anhui, China	TWD	28,095	Research, development, manufacturing, processing and sales of new-type, electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; import and export of goods or technique
			USD	1,000	
Trihedral Engineering Limited	2020/5	Canada	TWD	17,958	Software and associated engineering services
			CAD	819	
Trihedral Inc.	2007/6	USA	TWD	56	Software and associated engineering services
			USD	2	
Trihedral UK Limited	1998/7	UK	TWD	45	Software and associated engineering services
			GBP	1	
Delta Electronics (Vietnam) Co., Ltd.	2020/10	Vietnam	TWD	2,812	Sales of electronic products
			VND	2,323,700	

9.1.3 Shareholders in Common of the Company and affiliates with deemed control and subordination:

The Reason for Presumption	Name (Note 1)	Shareholding (Note 2)		Date of Incorporation	Address	Paid-in Capital	Major Business Activities
		Shares	%				
None	None	None	None	None	None	None	None

Note 1: For common shareholder who is a juridical person, fill in the name of the juridical person; for common shareholder who is a natural person, fill in the name of the natural person. For shareholder who is a natural person, only fill in the reason for such presumption, name and shareholding.

Note 2: The shareholding of the shareholder in the controlling company should be filled in the shareholding column.

9.1.4 Business scope of the Company's affiliates

The business scope of the Company's affiliates mainly includes equity investment, research and development, design, manufacturing, sales, trading and warehousing of electronic products, operations management services, solutions to building management and control, design and producing dedicated lighting system and facilities.

Description of the state of cooperation between affiliated companies:

9.1.4.1. Delta Electronics, Inc., Cynotec Co., Ltd., Eltek AS, Vivotek Inc. and Delta Electronics (Thailand) Public Company Limited manufacture electronic products through the affiliates shown below :

- | | |
|---|--|
| (1) Delta Electronics (Dongguan) Co., Ltd. | (2) Delta Electronics Power (Dongguan) Co., Ltd. |
| (3) Delta Electronics (Jiangsu) Ltd. | (4) Delta Electronics Components (Wujiang) Ltd. |
| (5) Delta Video Display System (Wujiang) Ltd. | (6) Delta Electronics (Wuhu) Co., Ltd. |
| (7) Delta Electronics (Chenzhou) Co., Ltd. | (8) DELTA ELECTRONICS BRASIL LTDA |
| (9) Delta Networks (Dongguan) Ltd | (10) Cynotec Electronics (Suzhou) Co., Ltd. |
| (11) DELTA ELECTRONICS (USA) INC. | (12) Eltek Sistemas de Energia Industria e Comercio S.A. |
| (13) Delta Greentech (Brasil) S.A. | (14) Vatics Inc. |
| (15) Delta Electronics (Slovakia) s.r.o. | (16) Delta Electronics India Pvt. Ltd. |
| (17) Eltek s.r.o. | |

9.1.4.2. The above (1) to (17) companies sale electronic products through the following affiliates :

- Delta Electronics (Japan), Inc.
- Delta Electronics (Korea), Inc.
- Delta Electronics (Netherlands) B.V.
- Delta Electronics Int'l (Singapore) Pte. Ltd.
- Delta Electronics International Mexico S.A. DE C.V.
- Delta Electronics (Americas) Ltd.
- Vivotek Corporation
- Delta Electronics Europe Limited
- Cynotec International Ltd
- Delta Greentech (China) Co., Ltd.
- Delta Electronics (Shanghai) Co., Ltd.
- Delta Electronics (Pingtan) Co., Ltd.
- Eltek AS and its subsidiaries
- Delta Electronics (Switzerland) AG and its subsidiaries
- Delta Greentech Electronics Industry LLC
- Vivotek Inc. and its subsidiaries
- Delta Energy Systems (Singapore) PTE. LTD and its subsidiaries
- Delta Green Industrial (Thailand) Co., Ltd.
- Delta Energy Systems (Germany) GmbH
- Delta Energy Systems (India) private Ltd
- Digital Projection Ltd. and its subsidiaries

9.1.4.3. The affiliates listed below provides logistics and warehousing services overseas:
DEI Logistics (USA) Corp. and DET Logistics (USA) Corporation.

9.1.4.4. Loy Tec electronics GmbH and Delta Controls Inc. provide solutions to building management and control solutions. Amerlux, LLC and Guangzhou Amerlux Lighting Co., Ltd. provide solutions to dedicated lighting system and facilities. Trihedral Engineering Limited and its subsidiaries provide software and associated engineering services.

9.1.5 Information of Directors, Supervisors, and Presidents of Affiliates

As of the year ended December 31, 2020

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics, Inc.	Chairman	Yancey Hai	984,067	0.0379%
	Vice-Chairman	Mark Ko	807,630	0.0311%
	Director	Bruce CH Cheng	81,878,039	3.1521%
	Director/CEO	Ping Cheng	55,640,093	2.1420%
	Director/COO	Simon Chang	903,811	0.0348%
	Director	Albert Chang	1,006,917	0.0388%
	Director	Victor Cheng	50,344,764	1.9382%
	Independent Director	Yung-Chin Chen	0	0.00%
	Independent Director	George Chao	0	0.00%
	Independent Director	Tsong-Pyng Perng	0	0.00%
	Independent Director	Ji-Ren Lee	0	0.00%
Delta International Holding Limited	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Betty Chung	0	0.00%
Delta Electronics (Japan), Inc.	Representative Director	Bruce CH Cheng	0	0.00%
	Representative Director	CH Ko	0	0.00%
	Representative Director	RT Tsai	0	0.00%
	Director	Mark Ko	0	0.00%
	Supervisor	Judy Wang	0	0.00%
Delta Electronics (H.K.) Ltd.	Director	Bruce CH Cheng	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Jimmy Yin	0	0.00%
	Director	Jess Lo	0	0.00%
Delta Electronics (Dongguan) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Victor Cheng	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Networks (Dongguan) Ltd.	Chairman/General Manager	Victor Cheng	NA	NA
	Director	George Chen	NA	NA
	Director	Rock Huang	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics Power (Dongguan) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Yancey Hai	NA	NA
	Supervisor	Allen Wang	NA	NA
Addtron Technology (Japan), Inc.	Representative Director	CH Ko	0	0.00%
	Supervisor	Judy Wang	0	0.00%
	Director	Is Miyazaki	0	0.00%
	Director	Matsuo Fujii	0	0.00%
	Director	Narihiko Yabuki	0	0.00%
	Director	Hiroshi Kamada	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
DEI Logistics (USA) Corp.	Director/General Manager	ChungHsiu Yao	0	0.00%
	Director	Judy Lee	0	0.00%
	Director	Judy Wang	0	0.00%
Delta Electronics (Jiangsu) Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics Components (Wujiang) Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director/General Manager	Ronald Chung	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Video Display System (Wujiang) Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Jeff Fu	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Networks Holding Limited	Director	Bruce CH Cheng	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Victor Cheng	0	0.00%
Delta Networks Inc.	Director	Victor Cheng	0	0.00%
	Director	Bruce CH Cheng	0	0.00%
	Director	Yancey Hai	0	0.00%
Delta Electronics (Shanghai) Co., Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director	Fred Lee	NA	NA
	Director	Yancey Hai	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics (Korea), Inc.	Representative Director	Jeff Chang	0	0.00%
	Representative Director	CH Ko	0	0.00%
	Director	SY Hiramatsu	0	0.00%
	Director	Edwin Kung	0	0.00%
	Supervisor	Iris Chu	0	0.00%
Delta Electronics (Netherlands) B.V.	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Andy Liu	0	0.00%
Delta Electronics (Wuhu) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	JP Wang	NA	NA
Delta Electronics (Chenzhou) Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Networks (H.K.) Limited	Director	Victor Cheng	0	0.00%
	Director	George Chen	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Christine Jen	0	0.00%
	Director	Jess Lo	0	0.00%
PreOptix (Hong Kong) Co., Ltd.	Director	Jeff Fu	0	0.00%
	Director	Judy Wang	0	0.00%
Cyntec Co., Ltd.	Chairman	Steven Liu (Representative of Delta Electronics, Inc.)	2,341,204,333	100.00%
	Vice-Chairman	Shou-Fong Chin (Representative of Delta Electronics, Inc.)		
	Director	Bruce CH Cheng (Representative of Delta Electronics, Inc.)		
	Director	Yancey Hai (Representative of Delta Electronics, Inc.)		
	Director	Ping Cheng (Representative of Delta Electronics, Inc.)		
	Director/CEO	Ted Shyy (Representative of Delta Electronics, Inc.)		
	Director	Ian Chan (Representative of Delta Electronics, Inc.)		
	Supervisor	Shalin Chen (Representative of Delta Electronics, Inc.)		
Fairview Assets Ltd.	Director	Bruce CH Cheng	0	0.00%
	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Grandview Holding Ltd.	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Cyntec Holding (H.K.) Ltd.	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Cyntec International Limited	Director	Ted Shyy	0	0.00%
	Director	Juichen Liao	0	0.00%
Cyntec Electronics (Suzhou) Co., Ltd.	Executive Director	Jason Chen	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	Victor Wang	NA	NA
Chenzhou Delta Technology Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
DelBio Inc.	Chairman	Herbert Ho (Representative of Delta Electronics, Inc.)	21,761,836	100.00%
	Director	JJ Chang (Representative of Delta Electronics, Inc.)		
	Director	Kevin Liu (Representative of Delta Electronics, Inc.)		
	Supervisor	CC Young (Representative of Delta Electronics, Inc.)		

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics Capital Company	Chairman	Lanford Liu (Representative of Delta Electronics, Inc.)	350,000,000	100.00%
	Director	Bruce CH Cheng (Representative of Delta Electronics, Inc.)		
	Director	Yancey Hai (Representative of Delta Electronics, Inc.)		
	Director	Mark Ko (Representative of Delta Electronics, Inc.)		
	Director	Ryan Wang (Representative of Delta Electronics, Inc.)		
	Supervisor	Judy Wang (Representative of Delta Electronics, Inc.)		
Delta Electronics Int'l (Singapore) Pte. Ltd.	Director	Cecilia Ku	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Simon Chang	0	0.00%
	Director	Steven Liu	0	0.00%
	Director	Judy Wang	0	0.00%
Delta Electronics International Mexico S.A. DE C.V.	Chairman/General Manager	Andy Liu	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Legal Representative	Dave Morse	0	0.00%
	Legal Representative	Alberto Sosa	0	0.00%
Allied Material Technology Corp.	Chairman	Sonia Wang (Representative of Delta Electronics, Inc.)	211,400,909	99.97%
	Director	Sam Wu (Representative of Delta Electronics, Inc.)		
	Director	Joseph Chang (Representative of Delta Electronics, Inc.)		
	Supervisor	Shalin Chen	0	0.00%
Delta Green (Tianjin) Industries Co., Ltd.	Chairman	Mark Ko	NA	NA
	Director/General Manager	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director	Herbert Ho	NA	NA
	Supervisor	Judy Wang	NA	NA
Drake Investment (HK) Limited	Director	Ping Cheng	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Delta Greentech (China) Co., Ltd.	Chairman	Ping Cheng	0	0.00%
	Director	Xiaohua Wei	0	0.00%
	Vice-Chairman	Simon Chang	0	0.00%
	Director/General Manager	Kevin Tan	0	0.00%
	Director	Mark Ko	0	0.00%
	Supervisor	Judy Wang	0	0.00%
	Supervisor	Benjamin Lin	0	0.00%
	Supervisor	Allen Wang	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Energy Technology (Shanghai) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director/General Manager	Kevin Tan	NA	NA
	Director	Jimmy Yin	NA	NA
	Supervisor	Allen Wang	NA	NA
Vivitek Corporation	Director/President	JJ Chang	0	0.00%
	Director	Jeff Fu	0	0.00%
DelBio (Wujiang) Co., Ltd.	Chairman	Herbert Ho	NA	NA
	Director/General Manager	Ronald Chung	NA	NA
	Director	JJ Chang	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Greentech SGP Pte. Ltd.	Director	Cecilia Ku	0	0.00%
	Director	Ping Cheng	0	0.00%
Delta Electronics Europe Ltd.	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
Boom Treasure Limited	Director	Ping Cheng	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Delta Electronics (Pingtan) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director	Jimmy Yin	NA	NA
	Director/General Manager	Kevin Tan	NA	NA
	Supervisor	Allen Wang	NA	NA
Eltek AS	Director	Kelvin Huang	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Hilde Steira	0	0.00%
	Director	Geir Waaler	0	0.00%
ELTEK PAKISTAN (PRIVATE) LIMITED	Director	Naveed Ahmed Farooqi	0	0.00%
	Director	Miloud Abdelilah	0	0.00%
Eltek Egypt for Power Supply S.A.E.	Director	Mahmoud Morsy	1,386	5.00%
	Director	Maggie Hao	0	0.00%
	Director	Miloud Abdelilah	0	0.00%
	Director	Motaz Al Maani	0	0.00%
Eltek SGS Pvt Ltd.	Director	Kelvin Huang	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Deepak Sharma	0	0.00%
Eltek SGS Mechanics Pvt Ltd.	Director	Bengt Johannes Lundberg	0	0.00%
	Director	Ranjit Singh Lonial	5,000	0.03%
	Director	Jasbir Singh Gujral	5,000	0.03%
Eltek MEA DMCC	Director	Miloud Abdelilah	0	0.00%
ELTEK KENYA LIMITED	Director	Melody Punzal	0	0.00%
	Director	Miloud Abdelilah	0	0.00%
ELTEK WEST AFRICA LIMITED	Director	Melody Punzal	0	0.00%
	Director	Miloud Abdelilah	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Eltek Polska Sp. z o.o.	Director	Volker Rossmann	0	0.00%
	Director	Zbigniew Wawrzyniak	235	48.96%
	Director	Mark Baker	0	0.00%
Eltek Italia S.r.l.	Director	Volker Rossmann	0	0.00%
ELTEK POWER FRANCE SAS	President	Kelvin Huang	0	0.00%
	General Manager	Isabelle Giraud	0	0.00%
Eltek Power (UK) Ltd.	Director	Colin Howe	0	0.00%
	Director	Jason Butcher	0	0.00%
	Director	Vel Verl	0	0.00%
Delta Electronics (Sweden) AB	Director	Kelvin Huang	0	0.00%
	Director	Allan Christiansen	0	0.00%
	Director	Therese Gibbs Lofgren	0	0.00%
	Director	Nils Bäckman	0	0.00%
Eltek Power Oy	Director	Colin Howe	0	0.00%
	Director	Allan Christiansen	0	0.00%
	Director	Mark Baker	0	0.00%
OOO Eltek	Legal Representative	Allan Christiansen	0	0.00%
Eltek Deutschland GmbH	Legal Representative	Volker Rossmann	0	0.00%
Eltek Montage GmbH	Legal Representative	Volker Rossmann	0	0.00%
ELTEK LIMITED	Director	Kelvin Huang	0	0.00%
	Director	David Robert Leal	0	0.00%
	Director	Teresa Chen	0	0.00%
ELTEK AUSTRALIA PTY LIMITED	Director	Kelvin Huang	0	0.00%
	Director	David Robert Leal	0	0.00%
ELTEK POWER INCORPORATED	Director	Jackie Chang	1	0.00%
	Director	Victor Cheng	1	0.00%
	Director	Thadeo A. Pulian	1	0.00%
	Director	Leo Homer Fandino	1	0.00%
	Director	Learn Mae Espiritu	1	0.00%
ELTEK POWER CO., LTD.	Director	Kelvin Huang	0	0.00%
	Director	Wiboon Rasmeepaisarn	0	0.00%
	Director	Aruwan Sangrungrarun	1	0.00%
ELTEK POWER (CAMBODIA) LTD.	Director	Kelvin Huang	0	0.00%
	Director	David Robert Leal	0	0.00%
	Director	Wong Chee Boon	0	0.00%
ELTEK POWER (MALAYSIA) SDN. BHD.	Director	Kelvin Huang	0	0.00%
	Director	Datuk Feroz Moidunny	0	0.00%
	Director	Ang Soon Lee	0	0.00%
DELTA ELECTRONICS HOLDING (USA) INC.	Director/ President	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Director	Charlie Wu	0	0.00%
DELTA ELECTRONICS (USA) INC.	Director/ President	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Director	Charlie Wu	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
DELTA ELECTRONICS (ARGENTINA) S.R.L.	Director	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Director	Luis Garino	0	0.00%
Eltek Sistemas de Energia Industria e Comercio S.A.	Director/Legal Representative	Alvaro Augusto Simoes De Oliveira	1	0.01%
	Director	Andy Yu	0	0.00%
DELTA ELECTRONICS (PERU) INC. S.R.L.	Legal Representative	Kelvin Huang	0	0.00%
	Legal Representative	Allen Pitts	0	0.00%
	Legal Representative	Gina Gonzales	0	0.00%
DELTA ELECTRONICS (COLOMBIA) S.A.S	Legal Representative	Kelvin Huang	0	0.00%
	Legal Representative	Allen Pitts	0	0.00%
	Legal Representative	Fermin Luna	0	0.00%
Eltekenegy Services, S.A. de C.V.	Director/General Manager	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Legal Representative	Alberto Sosa	0	0.00%
Eltekenegy Internacional de Mexico, S. de R.L. de C.V.	Director/General Manager	Kelvin Huang	0	0.00%
	Director	Allen Pitts	0	0.00%
	Legal Representative	Alberto Sosa	0	0.00%
Eltek Energy Technology (Dongguan) Ltd.	Chairman	Kelvin Huang	NA	NA
	Director	David Robert Leal	NA	NA
	Director	Albert Cheung	NA	NA
DSS-CI LLC	President	Joe Oberle	0	0.00%
DSS-USF LLC	President	Joe Oberle	0	0.00%
Delta Solar Solutions LLC	President	Joe Oberle	0	0.00%
Delta Electronics (Americas) Ltd.	Director	Kelvin Huang	0	0.00%
	Director	James Tang	0	0.00%
	Director	Wilson Huang	0	0.00%
Delta America Ltd.	Director	Kelvin Huang	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Judy Wang	0	0.00%
Apex Investment (HK) Limited	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Galaxy Star Investment (HK) Limited	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Jade Investment (HK) Limited	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Power Forest Technology Corporation	Chairman	Ian Chan (Representative of Cyntec Co., Ltd.)	15,432,000	100.00%
	Director	Steven Liu (Representative of Cyntec Co., Ltd.)		
	Director	Ted Shyy (Representative of Cyntec Co., Ltd.)		
	Director/General Manager	Songyi Lin (Representative of Cyntec Co., Ltd.)		
	Director	Jimmy Yin (Representative of Cyntec Co., Ltd.)		
	Supervisor	Celine Liu (Representative of Cyntec Co., Ltd.)		

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Executive Director	Ping Cheng	NA	NA
	General Manager	Kevin Tan	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Controls Inc.	Director	Mark Ko	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Director	John Nicholls	0	0.00%
	Director	Bill Lo	0	0.00%
Loy Tec electronics GmbH	Managing Director	Dietmar Loy	0	0.00%
	Managing Director	Hans-Jörg Schweinzer	0	0.00%
	Managing Director	Bill Lo	0	0.00%
Delta Electronics (Xi'an) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Simon Chang	NA	NA
	Director/General Manager	Jimmy Yin	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics (Beijing) Co., Ltd.	Chairman	Ping Cheng	NA	NA
	Director	Jimmy Yin	NA	NA
	Director/General Manager	Thomas Li	NA	NA
	Supervisor	Allen Wang	NA	NA
Delta Electronics (Switzerland) AG	Chairman /General Manager	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Peter Hofstetter	0	0.00%
Delta Electronics (Czech Republic), spol. s.r.o.	Legal Representative	Jiri Koutengky	0	0.00%
Delta Solutions (Finland) Oy	Director	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Andreas Grewing	0	0.00%
Delta Electronics (France) SA	Chairman	Kelvin Huang	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Andreas Hoischen	0	0.00%
Delta Electronics (Italy) S.r.l.	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%
Delta Electronics Solutions (Spain) S.L	Chairman	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Kelvin Huang	0	0.00%
Delta Energy Systems (Sweden) AB	Chairman	Kelvin Huang	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Andreas Grewing	0	0.00%
Delta Electronics (Poland) Sp. z o.o.	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
Delta Greentech (Brasil) S.A.	Director	Andy Yu	0	0.00%
	Director/Legal Representative	Hewton Seiji Hiroki	1	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Greentech Electronics Industry LLC	Director	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Tim Lee	0	0.00%
DELTA ELECTRONICS BRASIL LTDA	Director	Andy Yu	0	0.00%
Vivotek Inc.	Chairman	Bill Lo (Representative of Delta Electronics, Inc.)	45,782,058	52.65%
	Vice-Chairman	Judy Wang (Representative of Delta Electronics, Inc.)		
	Director	Simon Chang (Representative of Delta Electronics, Inc.)		
	Director	Zoe Cherng (Representative of Delta Electronics, Inc.)		
	Director	Owen Chen	1,228,528	1.41%
	Director	Eddy Lan	738,261	0.85%
	Independent Director	Sin-Hui Yen	0	0.00%
	Independent Director	Chung-Yang Huang	0	0.00%
	Independent Director	Ji-Ren Lee	0	0.00%
Vatics Inc.	Chairman	Steve Ma (Representative of Vivotek Inc.)	14,170,694	50.53%
	Director	Gordon Chen (Representative of Vivotek Inc.)		
	Director	Alex Liao (Representative of Vivotek Inc.)		
	Director	Sor Shen	934,500	3.33%
	Director	NXP B.V.	3,871,000	13.80%
	Supervisor	Golden Group Investment Co., Ltd	2,228,102	7.94%
	Supervisor	Pony Che	45,530	0.16%
Vivotek Holding, Inc.	Director	Bill Lo	0	0.00%
Vivotek USA, Inc.	Director	Alex Liao	0	0.00%
	Director	David Liu	0	0.00%
Realwin Investment Inc.	Chairman	Bill Lo (Representative of Vivotek Inc.)	17,369,635	100%
Wellstates Investment, LLC	Director	Bill Lo	0	0.00%
	Director	Alex Liao	0	0.00%
Vivotek Netherlands B.V.	Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
Otus Imaging, Inc.	Chairman	Alex Liao (Representative of Vivotek Inc.)	6,000,000	100.00%
Aetek Inc.	Chairman	Alex Liao (Representative of Realwin Investment Inc.)	3,372,500	56.21%
	Director/General Manager	Tim Su	222,500	3.71%
	Director	Brian Lee	250,000	4.17%
	Supervisor	Arway Hsu	95,000	1.58%
Vivotek Middle East FZCO	Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
Lidlight Inc.	Chairman	Alex Liao (Representative of Realwin Investment Inc.)	1,020,000	51.00%
	Director/General Manager	Elvis Chang	150,000	7.50%
	Director	Andy Chen	150,000	7.50%
	Supervisor	Owen Chen	100,000	5.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Vivotek (Japan) Inc.	Chairman	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
Delta Electronics (Thailand) Public Company Limited	Chairman	James Ng	53,000	0.0042%
	Director	Anusorn Muttaraid	0	0.00%
	Director	Mark Ko	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director/ President	Jackie Chang	0	0.00%
	Independent Director	Boonsak Chiempricha	0	0.00%
	Independent Director	George Chu	0	0.00%
	Independent Director	Witoon Simachokedee	0	0.00%
	Independent Director	Tipawan Chayutimand	0	0.00%
DET International Holding Ltd.	Director	James Ng	0	0.00%
	Director	Jackie Chang	0	0.00%
	Director	Anusorn Muttaraid	0	0.00%
DET Logistics (USA) Corporation	Director/ President	Chung Hsiu Yao	0	0.00%
	Director	Judy Lee	0	0.00%
	Director	Beau Yu	0	0.00%
Delta Energy Systems (Germany) GmbH	Managing Director	Andreas Kostrzewa	0	0.00%
	Managing Director	Peter Ide	0	0.00%
	Advisory Board	Basile Margaritis	0	0.00%
	Advisory Board	Jackie Chang	0	0.00%
	Advisory Board	Dalip Sharma	0	0.00%
Delta Energy Systems Property (Germany) GmbH	Managing Director	Andreas Kostrzewa	0	0.00%
	Managing Director	Peter Ide	0	0.00%
Delta Energy Systems (India) Pvt. Ltd.	Chairman	Jackie Chang	0	0.00%
	Director	Beau Yu	0	0.00%
	Director	Om Prakash	0	0.00%
Delta Electronics (Slovakia) s.r.o	Management Body	Kuik Keong Sim	0	0.00%
	Management Body	Teck Beng Seow	0	0.00%
Delta Energy Systems (Romania) S.R.L.	Administrator	Jackie Chang	0	0.00%
	Administrator	Peter Ide	0	0.00%
Delta Energy Systems (Singapore) Pte. Ltd.	Director	James Ng	0	0.00%
	Director	Cecilia Ku	0	0.00%
	Director	Jackie Chang	0	0.00%
Delta Electronics (Australia) Pty. Ltd.	Chairman	James Ng	0	0.00%
	Director	Jackie Chang	0	0.00%
Delta Electronics India Pvt. Ltd.	Director	Jackie Chang	0	0.00%
	Director	Beau Yu	0	0.00%
	Director	Om Prakash	0	0.00%
Delta Electronics (Myanmar) Co., Ltd.	Director	Jackie Chang	1	0.00%
	Director	Anusorn Muttaraid	0	0.00%
	Director	Vichai Saksuriya	0	0.00%
Delta Energy Systems (UK) Ltd.	Director	Jackie Chang	0	0.00%
	Director	Peter Ide	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta PBA Engineering Solutions Co., Ltd.	Director	Dick Hsieh	0	0.00%
	Director	Vichai Saksuriya	0	0.00%
	Director	Khiam Wee Yap	0	0.00%
Delta Greentech (Netherlands) Cooperatie U.A.	Director	James Ng	0	0.00%
	Director	Dalip Sharma	0	0.00%
Delta Greentech (Netherlands) B.V.	Director	James Ng	0	0.00%
	Director	Dalip Sharma	0	0.00%
Delta Energy Systems LLC	General Director	Fairushin Marat Glimkhanovich	0	0.00%
Eltek s.r.o.	Director	Kuik Keong Sim	0	0.00%
	Director	Teck Beng Seow	0	0.00%
Delta Electronics (Automotive) Americas Inc.	Director/ President	Dick Hsieh	0	0.00%
Delta Green Industrial (Thailand) Co., Ltd.	General Director	Jackie Chang	1	0.00%
	General Director	Anusorn Muttaraid	1	0.00%
Amerlux LLC	Director	Joe Oberle	0	0.00%
	Director	Calvin Wang	0	0.00%
	Director	Chuck Campagna	0	0.00%
Amerlux Lighting Asia, LLC	Director	Kelvin Huang	0	0.00%
	Director	Joe Oberle	0	0.00%
Amerlux Lighting Hong Kong Limited	Director/Legal Representative	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%
Guangzhou Amerlux Lighting Co., Ltd.	Chairman/Legal Representative	Ping Cheng	0	0.00%
	Director	Bill Lo	0	0.00%
	Director	Calvin Wang	0	0.00%
	Supervisor	Allen Wang	0	0.00%
Digital Projection International Limited	Director	Jeff Fu	0	0.00%
	Director	JJ Chang	0	0.00%
	Director	Kengo Ka	0	0.00%
	Director	Maggie Hao	0	0.00%
Digital Projection Holdings Limited	Director	JJ Chang	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Kengo Ka	0	0.00%
Digital Projection Limited	Director	Mike Levi	0	0.00%
	Director	Dermot Quinn	0	0.00%
	Director	JJ Chang	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Kengo Ka	0	0.00%
Digital Projection Incorporated	Director	Mike Levi	0	0.00%
	Director	Dermot Quinn	0	0.00%
CYNTEC ELECTRONICS (WUHU) CO., LTD	Executive Director	Jason Chen	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	Victor Wang	NA	NA

Company	Title	Name or Representative	Shareholding	
			Shares	%
Trihedral UK Limited	Director	Glenn Wadden	0	0.00%
	Director	Barry Baker	0	0.00%
	Director	Steven Pomeroy	0	0.00%
	Director	Keith Donaldson	0	0.00%
Trihedral Inc.	Director	Glenn Wadden	0	0.00%
	Director	Barry Baker	0	0.00%
Trihedral Engineering Limited	Director/Chairman	David Morse	0	0.00%
	Director	Chientan Lien	0	0.00%
	Director	Glenn Wadden	0	0.00%
Delta Electronics (Vietnam) Company Limited.	Director	Jackie Chang	0	0.00%
	Director	Tony Meng	0	0.00%
	Director	Beau Yu	0	0.00%

9.1.6 Operational Highlights of Affiliates

As of December 31, 2020 Unit: NT\$ thousands (except for EPS=NT\$)

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Delta Electronics, Inc.	25,975,433	225,324,961	79,425,623	145,899,338	58,184,137	5,672,297	25,485,231	9.81
Delta Networks Holding Limited and its subsidiaries	50,572	4,566,868	1,504,315	3,062,553	8,595,868	167,811	142,267	79.04
Delta International Holding Limited	1,901,470	68,272,084	183,735	68,088,349	-	(71,983)	1,073,533	15.86
DEI Logistics (USA) Corp.	28,095	8,723,094	8,506,012	217,082	25,332,098	17,694	2,113	2.11
Delta Greentech SGP Pte Ltd., etc.	1,445,289	6,068,045	1,037,810	5,030,235	12,966	(2,041)	763,010	-
Delta Electronics (Japan), Inc.	75,880	3,081,013	2,405,502	675,512	5,176,126	109,965	99,046	17,686.74
Addtron Technology (Japan), Inc.	9,756	30,203	306	29,897	14,852	(708)	2,574	3,574.55
Delta Electronics (Korea), Inc.	1,285	245,279	89,954	155,325	478,847	27,041	21,821	2,182.05
Vivitek Corporation	252,855	197,924	86,416	111,508	466,953	6,997	4,946	0.55
Delta Electronics Europe Ltd.	18,955	66,703	11,551	55,152	59,977	3,800	2,342	4.68
Delta Greentech (China) Co., Ltd., etc.	2,487,247	13,505,999	7,252,098	6,253,901	19,489,467	1,061,270	916,471	-
PreOptix (Hong Kong) Co., Ltd.	-	-	-	-	-	-	134	0.01 (Note 4)
Delta Electronics (H.K.) Ltd.	9,236,105	33,389,067	12,907,918	20,481,149	30,785	(12,859)	5,108,767	2.00
Apex Investment (HK) Limited	-	-	-	-	-	-	-	NA (Note 4)
Galaxy Star Investment (HK) Limited	-	-	-	-	-	-	-	NA (Note 4)
Jade Investment (HK) Limited	-	-	-	-	-	-	-	NA (Note 4)
Delta Electronics (Dongguan) Co., Ltd.	2,747,972	14,558,764	10,138,439	4,420,325	16,942,880	1,016,658	1,018,867	NA (Note 2)
Delta Electronics Power (dongguan) Co., Ltd.	1,182,800	3,475,022	1,077,087	2,397,935	15,782,488	317,325	330,311	NA (Note 2)
Delta Electronics (Shanghai) Co., Ltd.	3,412,574	17,041,664	10,031,729	7,009,935	31,041,297	2,657,888	2,626,057	NA (Note 2)
Delta Electronics (Wuhu) Co., Ltd.	3,764,730	5,307,088	1,004,689	4,302,399	7,813,355	29,592	256,867	NA (Note 2)
Delta Electronics (Chenzhou) Co., Ltd., etc.	1,879,697	4,468,422	2,782,057	1,686,364	6,755,127	110,341	113,239	-
Delta Electronics (Jiangsu) Ltd.	1,123,800	15,890,363	12,874,712	3,015,651	42,000,180	803,960	823,868	NA (Note 2)
Delta Electronics Components (Wujiang) Ltd.	3,309,872	14,288,679	7,685,389	6,603,290	29,675,829	918,472	798,084	NA (Note 2)
Delta Video Display System (Wujiang) Ltd.	814,755	2,084,561	755,941	1,328,620	3,073,609	112,258	105,799	NA (Note 2)
Delta Electronics International Mexico S.A. DE C.V.	162,185	380,173	239,900	140,273	259,114	6,862	15,903	6.87
Delta Electronics (Pingtan) Co., Ltd., etc.	708,102	1,490,642	798,867	691,775	2,241,081	(12,631)	(894)	-

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Cyntec Co., Ltd. and its subsidiaries	23,412,043	38,131,754	10,867,502	27,264,252	20,540,887	1,066,019	919,460	0.39
Allied Material Technology Corp.	2,114,580	1,646,637	16,038	1,630,599	83,972	(91,487)	(89,716)	(0.42)
DelBio Inc.	217,618	295,588	72,708	222,880	178,820	(1,188)	19,910	0.91
DelBio (Wujiang) Co., Ltd.	112,380	292,617	118,995	173,622	343,982	3,131	5,065	NA (Note 2)
Delta Electronics Capital Company	3,500,000	3,567,310	95,290	3,472,020	(7,669)	(62,237)	(86,241)	(0.25)
Delta Electronics Int'l (Singapore) Pte. Ltd.	956,704	96,546,938	61,036,899	35,510,039	211,913,457	12,642,226	12,811,707	2,490.36
Delta Electronics (Netherlands) B.V.	3,970,989	38,907,891	20,339,142	18,568,749	5,013,904	112,660	5,706,797	44.41
Delta Solar Solutions LLC, etc.	127,411	87,697	-	87,697	2,330	(3,610)	(24,194)	-
Delta America Ltd.	575	3,442,610	870,262	2,572,348	-	(91,580)	273,089	13.34
Delta Electronics (Americas) Ltd.	1,089	3,854,276	2,573,587	1,280,689	9,107,045	188,290	175,498	701.99
Eltek AS	152,883	4,341,245	1,375,904	2,965,340	5,126,709	334,734	782,862	8.37
ELTEK PAKISTAN (PRIVATE) LIMITED	47,083	12,807	2,886	9,921	657	(2,365)	(1,850)	(0.69)
Eltek Egypt for Power Supply S.A.E.	49,517	341,125	179,871	161,254	371,343	67,499	55,143	1,991.46
Eltek SGS Pvt Ltd.	2,947	241,119	47,481	193,638	230,540	7,997	4,582	5.94
Eltek SGS Mechanics Pvt Ltd.	122,520	20,438	(97)	20,535	-	-	-	-
Eltek MEA DMCC	1,526	207,717	130,455	77,262	270,432	(6,644)	83	415.29
ELTEK KENYA LIMITED	3	29	512	(483)	-	(152)	(4,800)	(47,995.37)
ELTEK WEST AFRICA LIMITED	1,104	16,611	1,269	15,342	-	(593)	(679)	(0.05)
Eltek Italia S.r.l.	3,958	99,902	87,486	12,416	148,104	4,035	5,726	NA (Note 2)
ELTEK POWER FRANCE SAS, etc.	51,947	744,885	415,419	329,466	1,144,321	43,687	29,307	-
Eltek Power (UK) Ltd.	19,798	472,527	266,947	205,580	935,294	31,050	26,153	49.66
Delta Electronics (Sweden) AB, etc.	7,263	304,304	189,898	114,406	317,060	9,792	10,329	-
OOO Eltek	55	259,207	45,062	214,145	412,216	78,092	78,949	NA (Note 2)
ELTEK ENERJI SISTEMLERI LIMITED SIRKETI	NA(Note 3)	NA(Note 3)	NA(Note 3)	NA(Note 3)	-	(2,053)	(472)	NA (Note 3)
Eltek Deutschland GmbH, etc.	71,490	844,936	570,687	274,250	1,450,233	48,350	28,453	-
ELTEK LIMITED	3,623	26,601	-	26,601	-	(312)	2,029	2.03
Eltek Energy Technology (Dongguan) Ltd.	207,903	155,846	2,788	153,058	14,885	(14,227)	(16,841)	NA(Note 2)

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
ELTEK POWER INCORPORATED	6,665	60,071	45,407	14,664	22,926	(9,547)	(9,349)	(0.82)
ELTEK POWER CO., LTD.	3,758	356,360	57,044	299,316	190,192	4,652	6,635	165.88
ELTEK POWER (CAMBODIA) LTD.	140	608	9,086	(8,478)	-	(21)	1,678	1,678.25
ELTEK POWER (MALAYSIA) SDN. BHD.	2,081	60,298	118,083	(57,785)	67,663	732	2,731	9.10
Delta Electronics Holding (USA) Inc.	298	2,013,541	-	2,013,541	-	-	-	-
Delta Electronics (USA) Inc., etc.	575,914	4,391,185	2,381,139	2,010,046	9,029,590	243,150	268,318	-
Delta Controls Inc.	2,124,870	4,684,486	2,148,347	2,536,139	1,571,890	83,771	45,351	0.60
Loy Tec electronics GmbH	1,205	629,964	150,190	479,774	536,713	90,887	94,664	NA (Note 2)
LOYTEC Americas, Inc.	NA(Note 3)	NA(Note 3)	NA(Note 3)	NA(Note 3)	19	(486)	118	NA(Note 3)
Delta Electronics (Switzerland) AG	316,750	1,825,433	1,013,917	811,516	2,344,258	82,276	241,761	24,176.05
Delta Greentech (Brasil) S.A.	205,106	255,110	95,702	159,407	693,592	56,396	59,658	13.82
Delta Greentech Electronics Industry LLC	89,144	417,598	353,777	63,821	731,257	39,287	(18,754)	(19.94)
DELTA ELECTRONICS BRASIL LTDA.	465,828	598,711	152,044	446,667	249,087	(6,956)	(2,125)	(0.04)
Delta Electronics (Czech Republic), spol. s.r.o.	10,463	32,396	5,347	27,049	20,761	1,708	787	NA (Note 2)
Delta Solutions (Finland) Oy, etc.	11,515	232,760	113,583	119,177	418,118	15,664	11,664	-
Delta Electronics (Italy) S.r.l.	3,442	288,520	170,071	118,449	429,392	12,803	7,404	74.04
Delta Electronics Solutions (Spain) S.L	6,884	253,135	143,411	109,723	425,226	8,229	8,572	42.86
Delta Electronics (Poland) Sp. z o.o., etc.	21,010	349,504	188,395	161,109	270,375	9,749	7,842	-
Unicom (Nanjing) System Eng. Corp.	NA(Note 3)	NA(Note 3)	NA(Note 3)	NA(Note 3)	-	6,303	6,274	NA(Note 3)
Vivotek Inc.	869,574	4,519,950	1,619,886	2,900,064	4,825,410	232,406	250,823	2.90
Vatics Inc.	280,452	276,136	318,889	(42,753)	290,673	(86,575)	(91,332)	(3.26)
Vivotek Holdings, Inc.	29,500	301,101	54	301,047	-	(43)	35,974	34,260.73
Vivotek USA, Inc.	28,095	522,186	222,046	300,141	860,350	22,109	36,017	3.60
Otus Imaging, Inc.	60,000	56,194	10,267	45,927	139,139	39,982	38,698	6.45
Realwin Investment Inc.	173,696	124,651	11,124	113,527	19,506	19,304	19,402	1.12
Aetek Inc.	60,000	111,216	26,143	85,073	132,239	26,568	20,870	3.48

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Lidlight Inc.	20,000	9,616	4,260	5,357	17,374	(305)	100	0.05
Wellstates Investment, LLC	33,714	106,320	58,983	47,337	12,300	7,688	2,556	NA (Note 2)
Vivotek Middle East FZCO	11,238	1,481	11,990	(10,510)	8,336	137	1,633	1,111.47
Vivotek Netherlands B.V.	10,326	13,534	2,195	11,339	43,929	1,476	1,062	354.32
Vivotek (Japan) Inc.	17,886	37,100	12,070	25,030	836,681	1,008	960	145.42
Delta Electronics (Thailand) Public Company Limited	1,172,040	49,508,290	14,084,040	35,424,250	50,353,798	6,090,853	6,569,420	1.82
DET International Holding Ltd., etc.	7,427,119	107,545	8,220,557	95,927	-	(157)	274,153	1.04
Delta Energy Systems (Singapore) Pte. Ltd., etc.	4,867,841	11,100,688	4,090,043	7,010,645	7,397,106	224,110	181,171	1.13
Delta Green Industrial (Thailand) Co., Ltd.	193,558	191,139	93,622	97,517	212,139	(9,412)	(6,544)	(0.32)
Delta Electronics (Vietnam) Company Limited	2,812	2,817	-	2,817	13,969	2,950	-	NA (Note 2)
Amerlux LLC	-	4,952	17,854	(12,902)	7,610	1,510	9,785	66.61
Amerlux Lighting Asia, LLC, etc.	-	16,510	6,504	42,562	43,099	29,681	21,440	358.67
Cyntec Electronic (WuHu) Co. Ltd.	28,095	303,204	319,951	(16,747)	25,435	11,096	6,860	1,039.34
Trihedral Engineering Limited	17,958	69,573	18,435	51,139	12,190	(9,328)	(7,254)	(140.87)
Trihedral Inc.	56	42,032	19,163	22,868	14,371	8,188	8,195	NA(Note 2)
Trihedral UK Limited	45	12,824	600	12,224	262	(2,838)	(2,838)	NA(Note 2)
Digital Projection International Ltd. and its subsidiaries	1,370	496,657	520,945	(24,288)	841,809	(186,089)	(145,091)	NA(Note 2)

Note 1: If an affiliate is a foreign company, related numbers shall be expressed in NTD with the exchange rate of the reporting date.

Note 2: Shares not applicable due to limited company type.

Note 3: It had been liquidated in 2020.

Note 4: It is under liquidation.

9.1.7 Declaration of consolidated financial statements of Delta Electronics, Inc. and subsidiaries

DELTA ELECTRONICS, INC. and Subsidiaries
REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of DELTA ELECTRONICS, INC. as of and for the year ended December 31, 2020, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, DELTA ELECTRONICS, INC. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

DELTA ELECTRONICS, INC.



Chairman: Yancey Hai



February 24, 2021

Affiliation Reports: None.

▶ **9.2 Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.

▶ **9.3 Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.

▶ **9.4 Other matters that require additional description**

The certifications received by finance, accounting and auditing personnel in the Company and its subsidiaries:

9.4.1 Certifications received by financial and accounting personnel

1. Certified Public Accountant - Passed the R. O. C. Senior Qualification Examination: 7 persons
2. U.S. Certified Public Account - Passed the Qualification Examination: 3 persons
3. Certified Public Accountant- Registered in the People's Republic of China: 4 persons
4. Intermediate-level P.R.C. Certified Public Accountant: 67 persons
5. Entry-level P.R.C. Certified Public Accountant: 113 persons
6. Certified Public Accountant -Registered in the Scotland Chartered Certified Accountant Association: 1 person
7. Hong Kong Certified Public Accountant Association - Certified Public Accountant: 1 person
8. AU Certified Public Accountant: 4 persons
9. US Chartered Financial Analyst: 1 person
- 10.US Certified Management and Public Accountant: 1 person
11. International Internal Auditor: 1 person
12. Senior Securities Specialist: 8 persons
13. Futures Specialist: 1 person
14. Securities Specialist: 3 persons
15. Investment Trust and Consulting Professional: 4 persons
16. Trust Specialist: 10 persons
17. Wealth Management & Planning Specialist: 5 persons
18. With R.O.C. Level B Accounting License: 3 persons
19. With R.O.C. Level C Accounting License: 5 persons
20. JapaneseManagement Practices Specialist: 1 person
21. England & Wales Chartered Certified Accountant Association - Certified Public Accountant: 2 persons
22. Philippine Institute of Certified Public Accountants- Certified Public Accountant: 1 person
23. Thailand Certified Public Accountant: 3 persons
24. British Columbia (CPABC)Certified Public Accountant: 3 persons
25. U.S. (Missouri) Certified Public Accountant: 1 person
26. Australia Certified Public Accountant: 2 persons
27. Turkey Certified Public Accountant: 2 persons
28. Egypt Certified Public Accountant: 1 person
29. Peru Certified Public Accountant: 1 person
30. Malaysia Certified Public Accountant: 1 person
31. Singapore Certified Public Accountant: 1 person
32. Colombia Certified Public Accountant: 2 persons

9.4.2 Certifications received by auditing personnel

1. Certified Accountant of ROC passed through Civil Service Senior Examination : 2 persons
2. Certified Accountant of India: 1 person
3. Certified Internal Auditor of ROC: 3 persons
4. Certified Internal Auditor: 5 persons
5. Excellent Auditor (19th and 28th) of the Institute of Internal Auditors: 2 persons
6. 6 Sigma Black Belt Certificate issued by Kind Management Consulting, Co.: 1 person
7. 6 Sigma Green Belt Certificate issued by Kind Management Consulting, Co.: 1 person
8. 5S Management Mechanism Certificate from Kind Management Consulting, Co.: 1 person
9. Internal Quality Audit Certificate from Kind Management Consulting, Co.: 1 person
10. Gauge Instrument Calibration Certificate from Kind Management Consulting, Co.: 1 person
11. ISO auditor: 1 person
12. Certification in Risk Management Assurance: 1 person
13. Quality service certification (Mystery Shopper) Auditor Lead Course: 1 person
14. ACL Jack soft Certified CAATs Practitioner (JCCP)/E-Business Application Professional Certification Service, Ministry of Economic Affairs: 2 persons
15. ICCP International Certified CAATs Practitioner: 1 person
16. Patent agent: 1 person
17. Securities specialist: 1 person
18. Certification in Control Self-Assessment: 2 persons
19. Futures Specialist: 1 person
20. Certificate for the Subject Test-Laws and Regulations on Trust Businesses: 1 person
21. Insurance personnel passed through Civil Service Junior Examination: 1 person

► 9.5 Situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred:

Situations might materially affect shareholders' equity or the price of Company's securities set forth in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent year and up to the date of publication of the annual report:

9.5.1 The acquisition of other companies stipulated in Article 36, paragraph 3, Subparagraph 2 of the Securities and Exchange Act of the Company has taken place.

- (1) The Company's subsidiary, Delta Electronics (Netherlands) B.V. acquired 100% of the shares of Trihedral Engineering Limited and its related subsidiaries on November 3, 2020 for CAD 45 million.
- (2) We believe that the above acquisitions will integrate the strengths of Delta's hardware and Trihedral's software in the rapidly growing fields of Automation, AI, and Data Analytics, which further strengthen the sales expansion in various fields such as industrial automation to realize the vision of smart manufacturing. The M&A synergy is expected to positively benefit both the Company's book value and earnings per share.



DELTA ELECTRONICS, INC.



Chairman Yancey Hai



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