



To celebrate the 50th anniversary, Delta hosts “BBC Blue Planet II – Live In Concert” with net zero carbon goal, and projects oceanic magnificence with its 8K projector.

# DELTA ELECTRONICS, INC. 2021 ANNUAL REPORT

Company Website : [www.deltaww.com](http://www.deltaww.com)

Taiwan Stock Exchange Market Observation Post System :

<http://mops.twse.com.tw>

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<p>6. Corporate Website</p>	<p><a href="http://www.deltaww.com">www.deltaww.com</a></p>

# Awards and Honors



## British Chamber of Commerce in Taipei

Delta received the first "Climate Champion" award Actions from the British Chamber of Commerce in Taipei in 2021.

Member of

## Dow Jones Sustainability Indices

Powered by the S&P Global CSA

## Sustainability Award Gold Class 2021

S&P Global



## ENERGY STAR Sustained Excellence Award

Delta received the Energy Star Sustained Excellence Award for the fourth consecutive year. Received the ENERGY STAR Partner of the Year for the sixth consecutive year.

## The Taiwan Corporate Sustainability Award

Delta received six major awards in the Taiwan Corporate Sustainability Awards held by the Taiwan Institute for Sustainable Energy in 2021.

## Dow Jones Sustainability Indices

- Listed in the Dow Jones Sustainability World Index for 11 consecutive years.
- Highest overall score in the electronic equipment, instruments & components industry in the Dow Jones Sustainability Indices (DJSI) for six years.
- Selected for the Dow Jones Sustainability Emerging Markets Index for nine consecutive years
- Delta Electronics (Thailand) listed in the Dow Jones Sustainability World Index for the first time.

## Sustainability Yearbook Assessment

Awarded Gold Class in the Sustainability Yearbook published by RobecoSAM for the eighth time.

## CDP

- Awarded the CDP Climate Change Leadership for the fifth time.
- Included in the CDP water security and supply chain engagement A List in two consecutive years.

## Morgan Stanley Indexes

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

## FTSE4Good Index Series

- Selected consecutively for the FTSE4Good Emerging Indexes.
- Selected as a constituent of 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



Chairman Yancey Hai

## Dear Shareholders :

In 2021, the continuing recovery of the global economy led to a breakthrough in the economic growth rates of the United States, Europe, and Taiwan for three quarters compared to the previous decade. However, some issues such as imbalanced supply chains, labor shortages and rising inflation pressures in countries with unstable epidemic situations and recovering economies are gradually being addressed to move toward normalization of the world economy. Amid the uncertainties of last year, Delta was fortunate enough to achieve growth in its annual revenue and earnings per share (EPS). The 2021 consolidated revenue reached NT\$314.7 billion, which is an increase by 11%; the gross profit reached NT\$90.2 billion, a gross profit margin of 28.7%; the net operating profit was NT\$31.4 billion, a net profit margin of 10.0%; the net income after tax was NT\$26.8 billion, with a net after-tax profit margin of 8.5%; the earnings per share (EPS) was NT\$10.3, and a return on equity (ROE) of 17.8%.

Business operations in different countries inevitably encountered a variety of challenges over the short-term. However, with its consistent commitment to the environment, society and its shareholders, Delta officially joined the RE100 initiative in 2021, undertaking to achieve 100% renewable energy usage in all of its sites across the globe by 2030, as well as carbon neutrality. Delta is the first company in Taiwan's high-tech manufacturing industry to commit to reaching the RE100 target by 2030.

Below are Delta's performance and vision relevant to the Company's business portfolio in 2021:

### Power Electronics

Delta is a world-class leader in the power supply industry. It provides global customers with highly efficient power supply products including, but not limited to, cloud computing, information and communication equipment, industrial, medical, lighting, machine tools, and electric vehicles to global customers using the most state-of-the-

art power electronics technology. Given the current smart factory trend, Delta released a wireless charging solution for unmanned trucks and industrial unmanned vehicles ahead of its peers in 2021, achieving fully automated and unmanned operation, which is the final step toward the application of AI manufacturing solutions to manual plugging and unplugging issues.

Delta has done its best to improve its R&D capabilities over the years. It has gained a foothold not only in the global power supply sector, but also in businesses related to brushless DC fans and miniaturization of key components. With its excellent product performance and energy efficiency, Delta was named 2021 Energy Star® Partner of the Year for six consecutive years by the U.S. Environmental Protection Agency (EPA) and carrying the distinguished Sustained Excellence honor for the fourth year in a row, demonstrating its product excellence in terms of environmental sustainability.

In order to stop global warming, many countries have proposed a timetable for the gradual phase-out of fossil fuel vehicles. With policies and car manufacturers supporting such a campaign, fossil fuel-powered vehicles would most likely become obsolete in the near future. In view of this, Delta entered the electric vehicle market with its power converters as part of its first stage of development – Delta Inside. Now in its second stage of development – Powered by Delta – the company provides motor drives and motor control systems for electric vehicles for major international car manufacturers. The next stage – Driven by Delta – aims to launch an all-in-one solution consisting of motor drives, motor controls, decelerators and other components, in collaboration with partners through strategic alliances to create a low-carbon future.

### Automation

Delta's years of extensive and solid manufacturing experience as well as automation technology led to a full-scale transformation and upgrade of the Company's Taoyuan Plant 1 in 2021. The transformation began with the design of a production line, followed by an incremental percentage use of intelligent equipment, as technologies such as Augmented Reality (AI), Mixed Reality (MR) and Virtual Reality (VR) were also utilized. Big data analysis also plays a role in optimizing information for the production process, making Delta's Taoyuan Plant 1 a next-generation demo site for smart manufacturing. In addition, Delta has enabled customers to carry out production with customized volume and patterns by enhancing the experience and practice of robust smart manufacturing as a stable solution to the next generation of manufacturing.

In 2021, to strengthen its smart architecture roadmap, Delta acquired a Canadian company March Networks and its 100% owned subsidiaries which specializes in video surveillance and business intelligent. March Networks' Video Surveillance as a Service (VSaaS) is expected to further expand Delta's diversified applications in smart buildings and cities, using the Internet-of-Things (IoT) to provide smart solutions.

## Infrastructure

The rapid development of global IoT and cloud computing has dynamically driven the power supply of data centers. To help customers build green data centers with greater efficiency and energy-saving results, Delta introduced a new "Panama power supply solution" that integrates electrical and magnetic circuits, thus converting medium-voltage 10KV AC to 240V DC directly and positioning power transmission by means of a single step. Many large data centers, including Alibaba and three major telecom companies in China, have successfully applied this solution. The total power capacity goes beyond 500MW with up to 98% energy efficiency, which is the estimated power consumption in Taiwan, equivalent to 32,000 households a year.

The pressure to reduce carbon emissions due to climate change is also likely to result in the development of critical policies aimed at transitioning to low-carbon transportation in the next decade. Delta has made significant investments in labor and the R&D of charging piles for more than ten years, with output reaching more than 1 million pieces globally. Its customer base covers international first-tier car manufacturers, major operators, and governments of various countries. In 2021, Delta worked with North-Star International Co., Ltd. in connection with the latter's charging station brand "Tail Power" for the establishment of the first expressway electric vehicle fast charging station at the Xiluo service area along National Highway No. 1 in Taiwan, which will encourage local traditional gas stations to make changes.

Despite the global importance of an incremental ratio in the use of renewable energy, renewable energy for intermittent power generation has an impact on the dispatching of traditional power grids, thereby increasing the risks of large-scale power outages or power interruptions. In the power supply value chain, Delta has been concerned with changes in the global power industry over the years. In addition to cooperation with companies involved in power generation, transmission, distribution, and sales, Delta also helps end-users such as companies or households. It expects to build a more flexible and resilient power system with renewable energy, energy storage systems and energy management platforms.

For half a century, Delta has taken countermeasures to fight against global warming and climate change. In the 2021 Dow Jones Sustainability Indices (DJSI), a significant indicator of global corporate competitiveness, Delta has been selected for the DJSI World for eleven consecutive years, and the DJSI-Emerging Markets for nine consecutive years. What's more, Delta's 'Climate Change' and 'Water Security' campaigns were also included in the Leadership Level of the 2021 CDP (originally Carbon Disclosure Project) climate change report. CDP recognized the consistency of Delta's business development strategy on low-carbon emissions, in which the Board of Directors is actively involved in sustainability strategies, while the management team leads the sustainability committee to promote various climate action initiatives as part of the

company's core business and daily operations. It is worth noting that Delta has been selected as Best Taiwan Global Brand for eleven consecutive years and its brand value climbed once again in 2021, with significant growth over the past nine consecutive years and double-digit growth for the last three years, for an increase of 19% compared to that of 2020, reaching USD395 million.

The year 2021 was Delta's 50th anniversary. Looking back on the past half century, Delta has kept its core values and practices for creating a friendly environment, giving feedback to society, caring for employees and sustainable development, and leading all employees and partners toward a brighter future amid constant challenges. The Company is deeply thankful to all of its employees, customers, shareholders, and partners for their unwavering support. Delta is extending its invitation to more customers to work together, reduce global carbon footprints, strive to relieve the threats of extreme climate change, and plan the next 50 sustainable and low-carbon targets for Delta in the years to come.

Finally, wish everyone good health and good luck.

Sincerely,

Chairman 



## 2. Company Profile

### ▶ 2.1 Date of Incorporation: August 20, 1975 (Reformed 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 components 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 1st in the US market, and ranked 5th 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 12th National Awards for Excellence by the President of Taiwan.
	Nov.	Founds 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.
2005	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 16th 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 Cyntec 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.

2011	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.
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 EEWH 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 (EEWH-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).

2014	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 13th 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 4th 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 Int'l (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.
	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 25th 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 3rd consecutive year.
	Sep.	Delta Americas Headquarters recognized with Livable Buildings Award Honorable Mention.



2017	Oct.	Acquires 49.2% stake in VIVOTEK to strengthen its building automation solutions portfolio.
	Dec.	Delta's subsidiary DELBio wins the Taiwan Excellence Gold Award for the DELPet- $\mu$ CT.
	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 4th 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 15th National Innovation Award.
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 42.85% shareholdings in Delta Electronics (Thailand) Public Company Limited (DET). After the acquisition, Delta and its subsidiaries aggregately hold 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.	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".
	May	Wins Gold Remi Award for the first 8K environmental documentary film "Water with Life" at the WorldFest - Houston International Film Festival.
	May	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 Research Center with the National Taiwan University of Science and Technology (NTUST).
	Aug.	Inaugurates the Cooperative Robot Technology Center with National Central University (NCU).

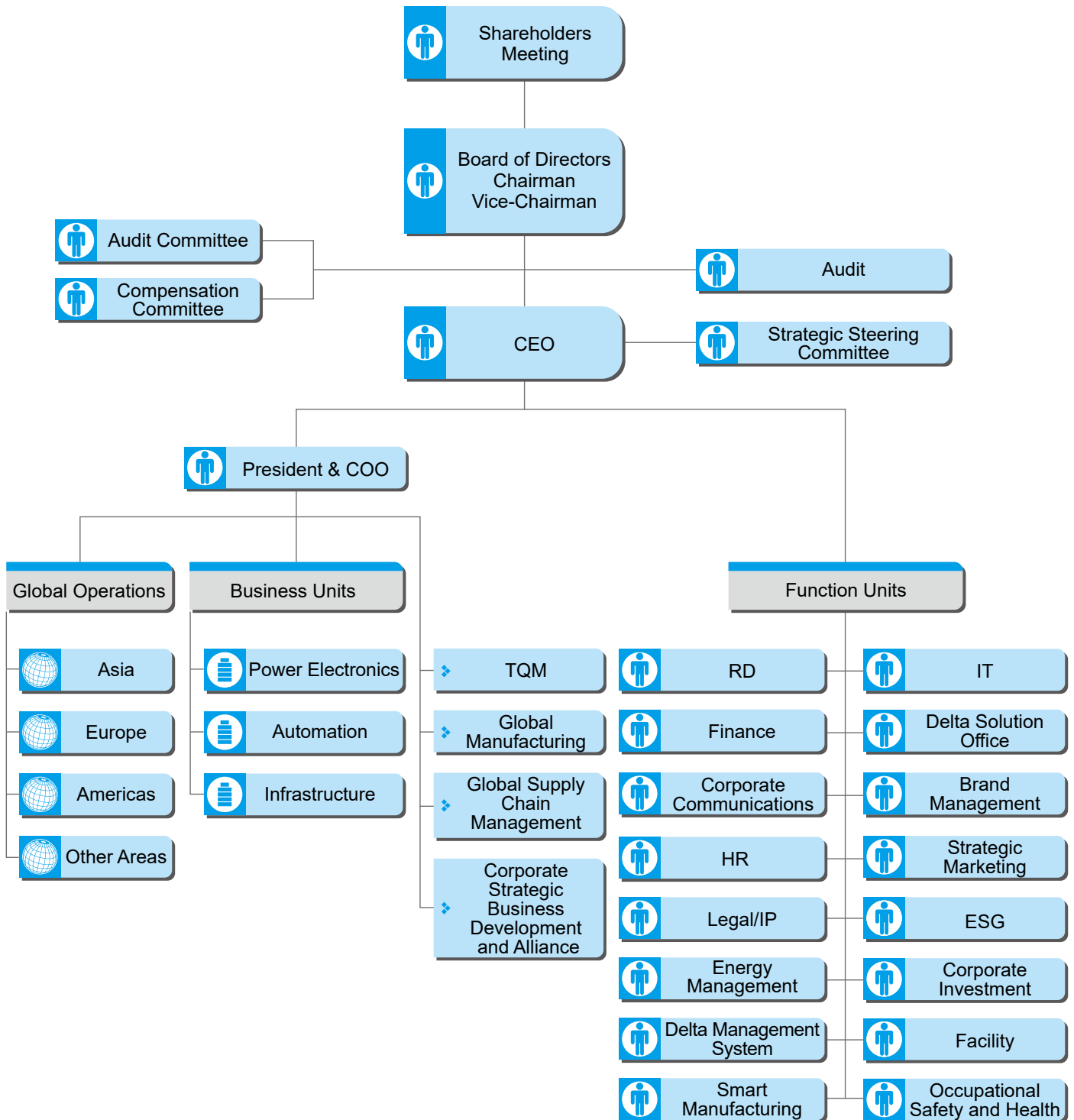
2020	Oct.	Wins the "2020 Best Companies to Work for in Asia Award" from HR Asia.
	Nov.	Announces the acquisition of the private unsecured convertible corporate bonds of Lanner Electronics Inc. to strengthen edge computing and network information security, and provide comprehensive ICT infrastructure solutions.
	Nov.	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	Mar.	Joins RE100 and sets 100% renewable electricity and carbon neutrality targets for global operations by 2030.
	Apr.	Announces Delta's first 5G smart factory at Taoyuan Plant I.
	Apr.	Delta named ENERGY STAR® Partner of the Year for the sixth consecutive year with Sustained Excellence for the fourth year in a row on its 50th Anniversary.
	Oct.	Delta awarded first prize for the "'Climate Champion Award" by the British Chamber of Commerce in Taipei.
	Oct.	Delta acquired global video surveillance provider March Networks to bolster building automation solutions.
	Nov.	Delta selected for DJSI "World Index" for the eleventh year in a row with the highest scores in the global electronic equipment industry.
	Nov.	Delta won six awards in the "Taiwan Corporate Sustainability Award" and "Global Corporate Sustainability Award".
	Nov.	Delta's energy storage system solution won the "Taiwan Excellence Gold Award".
	Dec.	Delta selected among the Best Taiwan Global Brands for eleven consecutive years with a brand value increase of 19% in 2021 and nine consecutive years of growth.
Dec.	Delta honored with Leadership Level Ratings by CDP for substantial contributions to climate change and water security issues.	
2022	Jan.	Establishes Delta Electronics (Chongqing) Ltd.
	Jan.	Delta attained WELL health safety rating for six green buildings - the first high-tech company in Taiwan to achieve this prominent global rating for buildings.
	Feb.	Delta honored as "A" Grade Supplier Engagement Leader by CDP for supply chain sustainability.
	Feb.	Delta honored as a Top 100 Global Innovator by Clarivate for its innovation and intellectual property prowess.
	Mar.	Inaugurates the Delta-NTU Joint Research and Development Center
	Apr.	Delta recognized in the top 5% of listed companies for the Corporate Governance Evaluation in Taiwan for two consecutive years

# 3. Corporate Governance Report

## ▶ 3.1 Organization

### 3.1.1 Organization chart

April 28, 2022



### 3.1.2 Tasks of principal divisions

April 28, 2022

Main Department	Business activities
Power Electronics	<p>“Power Electronics” includes components, power and system fan &amp; 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.</p>
Automation	<p>“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 &amp; 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.</p>
Infrastructure	<p>“Infrastructure” includes ICT infrastructure and energy infrastructure. Delta is a major provider of telecom power systems, UPS &amp; 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.</p>
RD	<p>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.</p>
Finance	<p>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.</p>
Corporate Communications	<p>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.</p>
HR	<p>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.</p>
Legal/IP	<p>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 lawsuits and regulation compliance.</p>
IT	<p>Plan and establish company-wide information and information security management system: Maintain the information equipment and develop computerized processes and systems for the Company's business development, and provide managers with fast and effective operational management information. Ensure the safety of the information system, establish information security information management mechanism and incident response strategy, and grasp the immediacy and effectiveness of risk management.</p>
Delta Solution Office	<p>Build a comprehensive solution mechanism and common platform to implement high quality and efficient solution services. We integrate the technology and knowledge of each business group to provide proprietary solutions for different industries, creating a higher competitive advantage for our global customers.</p>
Brand Management	<p>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.</p>



Main Department	Business activities
Strategic Marketing	The department assists the company's marketing capacity and strategies for business development. The department integrates market information provided through think 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.
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, data 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 16, 2022

Title Name	Nationality/ Place of Incorporation Gender Age	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 Yancey Hai	TW / US Male 70-79 years	July 19 2021	3	May 6, 2003	984,067	0.04	984,067	0.04	0	0.00	0	0.00	Master Degree in International Business Management, the University of Texas at Dallas/ Former Country Manager, GE Capital Taiwan, Former Vice- Chairman, CEO and Chairman in Strategic Steering Committee, Delta Electronics, Inc.	Chairman of Delta ESG Committee, Delta Electronics, Inc.; Director and ESG & Net Zero Committee Member, CTCI Corporation; Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee, CSR Committee Member, USI Corporation; Independent Director, Audit Committee Member and Compensation Committee Member, Taiwan Semiconductor Manufacturing Company Limited, etc.	-	-	-	-
Vice-Chairman Mark Ko	TW Male 60-69 years	July 19 2021	3	May 16 2001	807,630	0.03	807,630	0.03	0	0.00	0	0.00	Department of Electrical and Control Engineering, National Chiao Tung University/ Former President, COO and Vice- Chairman in Strategic Steering Committee, Delta Electronics, Inc.	Chairman in Strategic Steering Committee, Delta Electronics, Inc.; Director, Delta Greentech (China) Co., Ltd., etc.	-	-	-	-

Title Name	Nationality/ Place of Incorporation	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	
Director Bruce CH Cheng	TW Male 80-89 years	July 19 2021	3	August 2016	3,151,878,039	3.15	81,878,039	3.15	24,097,633	0.93	0	0.00	Department of Electrical Engineering, National Cheng Kung University, etc. (note 2)/ Former Chairman, Delta Electronics, Inc.	Honor Chairman, Delta Electronics, Inc.; Director, Finestar International Limited; Chairman, Hua-Chih Investment Co., Ltd. (translation), etc.	Director	Ping Cheng An Cheng	Father and Sons	-
Director Ping Cheng	TW Male 60-69 years	July 19 2021	3	May 16 2001	55,640,093	2.14	55,640,093	2.14	0	0.00	0	0.00	Department of Business Administration, California State University, Hayward / Former Senior Vice-President and President in Greater China Area, Delta Electronics, Inc.	CEO and Vice-Chairman in Strategic Steering Committee; Chairman, Delta Greentech (China) Co., Ltd., etc.	Director	Bruce CH Cheng/ An Cheng Brothers	CH Father- Son/ An Cheng Brothers	-
Director Simon Chang	TW Male 60-69 years	July 19 2021	3	May 18 2006	903,811	0.03	903,811	0.03	517	0.00	0	0.00	EMBA, Chung Yuan Christian University/ Former Senior Vice- President and General Manager of the Industrial Automation Business Group, Delta Electronics, Inc.	President, COO and Branch Manager, Delta Electronics, Inc.; Director, Betacera Inc., etc.	-	-	-	-
Director Albert Chang	TW Male 60-69 years	June 11 2018	3	June 10 2009	1,104,917	0.04	1,002,917	0.03	108,315	0.00	0	0.00	EMBA, National Central University/ Former Senior Vice- President and General Manager of Power System Business Group, Delta Electronics, Inc.	-	-	-	-	(Note 3)
Director Victor Cheng	TW Male 50-59 years	July 19 2021	3	June 11 2018	50,344,764	1.94	50,344,764	1.94	1,023,482	0.04	0	0.00	MS Electrical Engineering, Santa Clara University/ Former 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., etc.	Director	Bruce CH Cheng/ Ping Cheng	CH Father- Son/ Brothers	-

Title Name	Nationality/ Place of Incorporation Gender Age	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	
Independent Director Yung-Chin Chen	TW Male 70-79 years	June 11 2018	3	June 19 2012	0	0.00	0	0.00	0	0.00	0	0.00	0.00 MA Accounting, Soochow University/ Former CPA and Partner, PwC Taiwan; Former Independent Director, Delta Electronics, Inc.	-	-	-	(Note 3)	
Independent Director George Chao	TW Male 70-79 years	June 11 2018	3	June 19 2012	0	0.00	0	0.00	0	0.00	0	0.00	0.00 Department of Banking and Insurance, Tamkang University/ Former Chairman, 3M Taiwan Limited; Former Independent Director, Delta Electronics, Inc.	-	-	-	(Note 3)	
Independent Director Tsong- Pyng Perng	TW Male 60-69 years	June 11 2018	3	June 19 2012	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D. Materials Science and Engineering, University of Illinois/ Former Chairman, Department of Materials Science and Engineering, National Tsing Hua University; Former Dean of Academic Affairs, National Tsing Hua University; Former President, Materials Research Society Taiwan; Former President, Yuan Ze University; Former Independent Director, Delta Electronics, Inc.	-	-	-	(Note 3)	



Title Name	Nationality/ Place of Incorporation Gender Age	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	
Independent Director Ji-Ren Lee	TW Male 60-69 years	July 19 2021	3	June 8 2016	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D. Strategic Management, University of Illinois at Urbana-Champaign/ Professor Emeritus of International Business, Former Associate Dean in the Department of Management and Former Executive Director in EMBA Program, National Taiwan University	Director, CommonWealth Education Media and Publishing Co., Ltd.; Director, Social Enterprise Insights; Chairman, B Current Impact Investment Fund 3; Director, Commonwealth Magazine Co., Ltd.; Director, Long-chen Paper & Packaging Co., Ltd.; Director, Primax Electronics Ltd.; Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, ACER Incorporated; Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, VIVOTEK, Inc.; Compensation Committee Member, MediaTek Inc., etc.	-	-	-	-

Title Name	Nationality/ Place of Incorporation Gender Age	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	
Independent Director Shyue-Ching Lu	TW Male 70-79 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D. in Electric Engineering, University of Hawaii/ Professor Emeritus, National Yang Ming Chiao Tung University, Former Chairman and CEO, Chungghwa Telecom Co., Ltd., Former Director General, Department of Posts and Telecommunications, Ministry of Transportation and Communications Republic of China	Director, Sercomm Corp.; Director, CTCI Advanced Systems Inc.; Director, XRSPACE CO., LTD.; Independent Director, Audit Committee Member and Compensation Committee Member, Radium Life Tech Co., Ltd.; Independent Director, Convener and Chairman of Audit Committee and Compensation Committee Member, MITAC Holdings Corporation	-	-	-	-

Title Name	Nationality/ Place of Incorporation Gender Age	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	
Independent Director Jack J.T. Huang	TW Male 70~79 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	S.J.D., Harvard University/ Former Attorney-at-Law, Jones Day Taipei Office; Former Honorary Chairman, Taiwan M&A and Private Equity Council	Director, Yulon Motor Co., Ltd.; Special Advisor of the CEO, Yulon Group; Director, Taiwan Capital Buffalo Fund Co., Ltd.; Director, Taiwan Capital Biotechnology Corporation; Independent Director, Audit Committee Member and Chairman and Convener of Compensation Committee, WPG Holding Limited; Independent Director, Convener and Chairman of Audit Committee and Compensation Committee Member, Systex Corporation; Independent Director, Convener and Chairman of Audit Committee and Compensation Committee Member, CTCI Corporation, etc.	-	-	-	-

Title Name	Nationality/ Place of Incorporation Gender Age	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	
Independent Director Rose Tsou	TW Female 50-59 years	July 19 2021	3	July 19 2021	0	0.00	0	0.00	0	0.00	0	0.00	MBA of J.L. Kellogg Graduate School of Management, Northwestern University; MS in Mass Communication, Boston University/ Former Head of International, Verizon Media; Former Managing Director, Yahoo Asia Pacific; Former General Manager, Yahoo Taiwan	Chairman, FNCapital Co., Ltd.; Director, FundRich Securities Co., Ltd.; Director, HK Television Entertainment Company Limited; Independent Director, Audit Committee Member and Convener and Chairman of Compensation Committee, Sercomm Corp.; Independent Director, Audit Committee Member and Compensation Committee Member, IPEVO Corporation, etc.	-	-	-	-

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 City 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.

Note 3: After the election of Directors and Independent Directors in the 2021 Annual General Shareholders' Meeting on July 19, 2021, the duties have been relived and the information of shareholdings is disclosed until the removal date.

**Major shareholders of the institutional shareholders: None**

## Information of Directors

### 1. Professional qualifications and independence analysis of directors

April 28, 2022

Name	Criteria Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yancey Hai	<p>Mr. Yancey Hai joined Delta in 1999 and became Vice-Chairman and CEO in 2004 to lead Delta's operational development direction, promote and implement strategic innovation business development. In June 2012, Mr. Hai was elected as Chairman to oversee Delta's long-term strategic direction and strengthen the corporate governance and the function of the Board of Directors. Before joining Delta, Mr. Yancey Hai was the country manager of GE Capital Taiwan, and prior to that he served in key positions in international financial organizations such as JP Morgan and Citibank.</p> <p>Mr. Yancey Hai has over 5-year work experiences and necessary work experiences for the business of the Company, and Mr. Yancey Hai does not have any circumstances defined in the Article 30 of Company Act.</p>	-	2
Mark Ko	<p>Mr. Mark Ko joined Delta in 1988 and he was appointed general manager of what is today the Power System Business Group in 1994. Mr. Mark Ko served as president and Chief Operating Officer of Delta Group since 2004, and was responsible for worldwide business operations and management, R&amp;D, manufacturing, and quality processes. Mr. Mark Ko was appointed as Vice-Chairman of Delta Electronics in 2012. He is responsible for managing Delta's related companies and leading the integration of cross-business techniques and products to provide total solutions.</p> <p>Mr. Mark Ko has over 5-year work experiences and necessary work experiences for the business of the Company, and Mr. Mark Ko does not have any circumstances defined in the Article 30 of Company Act.</p>	-	0

Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Bruce CH Cheng	<p>In 1971, Mr. Bruce CH Cheng founded Delta with mission statement, "To provide innovative, clean and energy-efficient solutions for a better tomorrow," to lead Delta. Mr. Bruce CH Cheng put importance on the protection of the global environment. Since the establishment of Delta, he has been continuously committed to improving the energy efficiency of products and developing innovative energy-saving technologies. For half of the century, under the leadership of Mr. Bruce CH Cheng, Delta has become the world-class provider of power management and fans thermal solutions, as well as a global leader in the computer, telecommunications, consumer electronics and network communications industries.</p> <p>Mr. Bruce CH Cheng has over 50-year work experiences and necessary work experiences for the business of the Company, and Mr. Bruce CH Cheng does any not have circumstances defined in the Article 30 of Company Act.</p>	-	0	
Ping Cheng	<p>Mr. Ping Cheng joined Delta Electronics in 1988 and held various positions and units in different regions at home and abroad. From 1998 to 2008, Mr. Ping Cheng served as Deputy General Manager of the Component Business Group of Delta China, and Executive Vice-President of the China Region. Mr. Ping Cheng has been the Senior Vice-President &amp; General Manager of the Power Supply Business Group since 2008. In 2010, Mr. Ping Cheng became the first Chief Brand Officer in charge of Delta's branding, new business support and nationwide business development. Mr. Ping Cheng was appointed as Chief Executive Officer of Delta in 2012, responsible for organization operations and new business development.</p> <p>Mr. Ping Cheng has over 5-year work experiences and necessary work experiences for the business of the Company, and Mr. Ping Cheng does not have any circumstances defined in the Article 30 of Company Act.</p>	-	0	



Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Simon Chang	<p>Mr. Simon Chang joined Delta in 1981 has served as engineering manager, material manager, director of the Industrial Automation Business Division, and general manager of the Industrial Automation Business Group. Mr. Simon Chang has led the Industrial Automation Business Division for more than 20 years continued his dedication to the field of automation, covering drives, motion, control, sensing, and machine vision. During this time, Mr. Simon Chang directed Delta's innovation and development of "smart manufacturing" related products to provide efficient and integrated solutions to move toward smart and green manufacturing. Mr. Simon Chang served as President and Chief Operations Officer of Delta since 2017 to lead all business groups and regions' operation and business.</p> <p>Mr. Simon Chang has over 5-year work experiences and necessary work experiences for the business of the Company, and Mr. Simon Chang does not have any circumstances defined in the Article 30 of Company Act.</p>	-	0	
Victor Cheng	<p>Mr. Cheng joined Delta in 1993 and held various positions from International Sales Director, Assistant General Manager to General Manager of Video Display Business Unit. Mr. Victor Cheng acted as the President and Chairman of the Board of Delta in Networks, Inc., a subsidiary of Delta that focuses on the design and manufacture of Ethernet switches and wireless networking products. Mr. Victor Cheng at the same time was the General Manager of Power Systems Business Group from 2014 to 2017. Mr. Victor Cheng serves as the General Manager of Information and Communication Technology Business Group to apply core power electronics technologies to information and communication technology infrastructure and various solutions.</p> <p>Mr. Victor Cheng has over 5-year work experiences and necessary work experiences for the business of the Company, and Mr. Victor Cheng does not have any circumstances defined in the Article 30 of Company Act.</p>	-	0	

Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Ji-Ren Lee	<p>Mr. Ji-Ren Lee was the Associate Dean in the Department of Management and the Executive Director in EMBA Program at National Taiwan University from 2005 to 2008. Mr. Ji-Ren Lee was the Director in the Creativity and Entrepreneurship Program at National Taiwan University from 2013 to 2020. After retirement in 2020, Mr. Ji-Ren awarded the Professor Emeritus of International Business from National Taiwan University.</p> <p>Mr. Ji-Ren Lee has over 5-year work experiences and business strategy management (including finance) experiences and necessary work experience for the business of the Company, and Mr. Ji-Ren Lee does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Mr. Ji-Ren Lee is the Independent Director of ACER Incorporated (since 2014 till now) and the Independent Director in VIVOTEK, Inc (since 2018 till now).</p>	<p>During the two years before being elected and during the term of office, Mr. Ji-Ren Lee does not have any circumstances defined in the Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	2	
Shyue-Ching Lu	<p>Mr. Shyue-Ching Lu served as Director General in the Department of Posts and Telecommunications at Ministry of Transportation and Communications Republic of China (MOTC) in 1993, after that, he was the Director of the Institute of Telecommunications at MOTC, Deputy Director at Telecommunications at MOTC, Chairman and CEO of Chunghwa Telecom Co., Ltd.,</p> <p>Mr. Shyue-Ching Lu has over 5-year work experiences and necessary work experience for the business of the Company, and Mr. Shyue-Ching Lu does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Mr. Shyue-Ching Lu is the Independent Director of Radium Life Tech Co., Ltd. (since 2016 till now) and the Independent Director in MiTAC Holdings Corporation (since 2016 till now).</p>	<p>During the two years before being elected and during the term of office, Mr. Shyue-Ching Lu does not have any circumstances defined in the Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	2	
Jack J.T. Huang	<p>Mr. Jack J.T. Huang was honored S.J.D. from Harvard University in 1983, and he was the Attorney-at-Law at Jones Day Taipei Office and the Honorary Chairman at Taiwan M&amp;A and Private Equity Council.</p> <p>Mr. Jack J.T. Huang has over 5-year work experiences and necessary work experience for the business of the Company, and Mr. Jack J.T. Huang does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Mr. Jack J.T. Huang is the Independent Director of WPG Holding Limited (since 2005 till now), the Independent Director in Systex Corporation (since 2007 till now) and the Independent Director in CTCI Corporation (since 2014 till now).</p>	<p>During the two years before being elected and during the term of office, Mr. Jack J.T. Huang does not have any circumstances defined in the Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	3	

Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Rose Tsou		<p>Ms. Rose Tsou was the General Manager at Yahoo Taiwan from 2000 to 2007, and she was Managing Director of Yahoo Asia Pacific in 2007, and she was the head of International at Verizon Media from 2018 to 2020.</p> <p>Ms. Rose Tsou does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Ms. Rose Tsou is the Independent Director of Sercomm Corp. (since 2017 till now) and the Independent Director in IPEVO Corporation (since 2021 till now).</p>	<p>During the two years before being elected and during the term of office, Ms. Rose Tsou does not have any circumstances defined in the Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	2

Note 1: Professional qualification and experience: To state the professional qualifications and experience of individual directors and supervisors. If he/she is a member of the Audit Committee and has accounting or financial expertise, his/her accounting or financial background and work experience should be stated, and also indicate whether there is any circumstance defined in the Article 30 of Company Act.

Note 2: The status of independence of Independent directors should be stated that they are independent including but not limited to whether the person, spouse, relatives within the second degree serve as directors, supervisors or employees of the Company or its affiliates, the shares and proposition of shareholding held by the person, spouse, relatives within the second degree (or under others' names), whether to serve as a director, supervisor or employee of the Company that has a specific relationship with the Company (refer to the Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

## 2. Diversity and Independence of the Board of Directors:

### (1) Diversity of the Board of the Directors:

The Board of Directors of the Company has established the "Corporate Governance Best Practice Principles" and "Director Election Regulations" that indicated the diversity policies of the Board of Directors. According to Paragraph 3, Article 20 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. According to Article 3 of the Director Election Regulations, the overall composition of the Board of Directors should consider to include the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability. The relevant specific goals and implementation are as follows:

**Goal:** The Company actively cooperate with Financial Supervisory Commission R.O.C. to promote Corporate Governance 3.0 - Sustainable Development Roadmap. In 2021, the Company added one female director (including independent director) with different professional background. In 2022, the Company expected to add two female directors (including independent directors) and add one director (including independent director) who having accounting profession background.

**Achievement:** After the elections of the Company, the Board of Directors are made up of 10 directors, including one female director, and the proportion of the female directors (including independent directors) is 10 % (2020:0%), and the professional background of directors extend to the field of communication, law and mass media. In 2022, the Company has nominated two female directors (including independent directors) and one of them have

accounting professional background.

(2) Independence of the Board of Directors:

The 19th term of the Board of Directors is made up of 10 directors, including 6 non-employee directors, constituting 60% (2020: 55%), and 4 independent directors, constituting 40% (2020: 36%), and 3 directors' relatives within the second degree of kinship, constituting 30%. There are no spouses or relatives within the second degree between independent directors or between independent directors and directors in compliance with the Paragraph 3 and 4, Article 26-3 of Securities Exchange Act.

### 3.2.2 Management team

April 16, 2022

Title Name	Nationality Gender	Date Effective (Note 1)	Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Shareholding by Nominee Arrangement (Note 2)		Experience (Education)	Other Position (Note 3)	Managers who are Spouses or Within Two Degrees of Kinship			Note
			Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Former Chairman in Strategic Steering Committee Yancey Hai	TW / US Male	August 16, 2012	984,067	0.04	0	0.00	0	0.00	Master Degree in International Business Management, the University of Texas at Dallas/ Former Country Manager, GE Capital Taiwan, Former Vice-Chairman, CEO and Chairman in Strategic Steering Committee, Delta Electronics, Inc.	Director and ESG & Net Zero Committee Member, CTCI Corporation; Independent Director, Audit Committee Member, Chairman and Convener of Compensation Committee, CSR Committee Member, USI Corporation; Independent Director, Audit Committee Member and Compensation Committee Member, Taiwan Semiconductor Manufacturing Company Limited, etc.	-	-	-	(Note 4)
Chairman in Strategic Steering Committee Mark Ko	TW Male	August 16, 2012	807,630	0.03	0	0.00	0	0.00	Department of Electrical and Control Engineering, National Chiao Tung University/ Former President, COO and Vice-Chairman in Strategic Steering Committee, Delta Electronics, Inc.	Director, Delta Greentech (China) Co., Ltd., etc.	-	-	-	(Note 5)
CEO and Vice-Chairman in Strategic Steering Committee Ping Cheng	TW Male	June 28, 2012	55,640,093	2.14	0	0.00	0	0.00	Department of Business Administration, California State University, Hayward/ Former Senior Vice-President, Delta Electronics, Inc. and Former President in Greater China Area, Delta Electronics, Inc.	Chairman, Delta Greentech (China) Co., Ltd., etc.	-	-	-	(Note 5)

Title Name	Nationality Gender	Date Effective (Note 1)	Shareholding (Note 2)		Spouse & Minor Shareholding (Note 2)		Shareholding by Nominee Arrangement (Note 2)		Experience (Education)	Other Position (Note 3)	Managers who are Spouses or Within Two Degrees of Kinship			Note
			Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President, COO and Branch Manager Simon Chang	TW Male	July 3, 2017	903,811	0.03	517	0.00	0	0.00	EMBA, Chung Yuan Christian University/ Former Senior Vice-President and General Manager of the Industrial Automation Business Group, Delta Electronics, Inc.	Director, Betacera Inc., etc.	-	-	-	-
Former Corporate CFO Judy Wang	TW Female	August 1, 2013	8,572	0.00	0	0.00	0	0.00	MS Finance, National Taiwan University and Bachelor in Accounting, Soochow University/ Former Senior Vice-President and Corporate CFO, Delta Electronics, Inc.	-	-	-	-	(Note 6)
Corporate CFO Beau Yu	TW Male	August 1, 2021	0	0.00	0	0.00	0	.000	MBA, University of South Australia and Bachelor in Accounting, Chinese Culture University/ Former CFO, Delta Electronics (Thailand) Public Company Limited	Director, Delta Electronics Int'l (Singapore) Pte. Ltd., etc.	-	-	-	(Note 6)
Corporate Governance Officer Shalin Chen	TW Female	April 29, 2019	2,105	0.00	0	0.00	0	0.00	Bachelor in Accounting, Chung Yuan Christian University/ Former Director, PricewaterhouseCoopers, Taiwan	Supervisor, Cyntec Co., Ltd., etc.	-	-	-	-

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

Note 2: The number of shares held as of April 16, 2022, the book closure starting date of the annual general shareholders' meeting

Note 3: 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.

Note 4: Mr. Yancey Hai retired on July 30, 2021 and relieved from the Chairman of Strategic Steering Committee. The number of shares Mr. Yancey Hai held was disclosed until the removal date. This vacancy was replaced by Mr. Mark Ko, the Vice-Chairman of Strategic Steering Committee.

Note 5: The Chairman of Strategic Steering Committee has been taken over by Mr. Mark Ko and the Vice-Chairman of Strategic Steering Committee has been taken over by Mr. Ping Cheng, effective from October 28, 2021.

Note 6: Ms. Judy Wang resigned due to personal career planning, effective from August 1, 2021. The Corporate CFO has been taken over by Mr. Beau Yu. The number of shares Ms. Judy Wang held was disclosed until the date of her resignation and the number of shares held by Mr. Beau Yu was disclosed as of April 16, 2022, the book closure starting date of the annual general shareholders' meeting.



### ▶ 3.3 Remuneration paid during the most recent fiscal year to directors, the presidents and vice-presidents

#### 3.3.1 Remuneration paid to directors and independent directors

Unit: NT\$1,000

Title	Name	Directors Remuneration											
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)		Amount and Ratio of total A, B, C and D to Net Income (Note 10)			
		The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)		
Director	Bruce CH Cheng												
	Yancey Hai												
	Mark Ko												
	Ping Cheng	134	134	0	0	31,600	32,249	1,363	1,363	33,097	33,746	0.12%	0.13%
	Simon Chang												
	Albert Chang (Note 1)												
Victor Cheng													
Independent Director	Yung-Chin Chen (Note 1)												
	George Chao (Note 1)												
	Tsong-Pyng												
	Peng (Note 1)												
	Ji-Ren Lee	0	0	0	0	13,000	14,000	0	0	13,000	14,036	0.05%	0.05%
	Shyue-Ching Lu (Note 2)												
	Jack J.T. Huang (Note 2)												
Rose Tsou (Note 2)													

Title	Name	Remuneration Received as Employee												
		Salary, Bonus and Special Allowance (E) (Note 5)		Pension (F)		Employee Bonus (G) (Note 6)				Amount and 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)		
		The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)		The Company	All Companies in the Consolidated Financial Statements (Note 7)				
							Cash	Stock			Cash	Stock		
Director	Bruce CH Cheng													
	Yancey Hai													
	Mark Ko													
	Ping Cheng	39,094	39,094	517	517	155,988	0	174,744	0	228,696	248,100	0.85%	0.93%	957
	Simon Chang													
	Albert Chang (Note 1)													
	Victor Cheng													
Independent Director	Yung-Chin Chen (Note 1)													
	George Chao (Note 1)													
	Tsong-Pyng Peng (Note 1)													
	Ji-Ren Lee	0	0	0	0	0	0	0	0	13,000	14,036	0.05%	0.05%	0
	Shyue-Ching Lu (Note 2)													
	Jack J.T. Huang (Note 2)													
	Rose Tsou (Note 2)													

Note 1: Removed since the election of directors on July 19, 2021, and the remuneration is disclosed till the removal date.

Note 2: Elected since the election of directors on July 19, 2021, and the remuneration is disclosed from the elected date.

1. Directors and Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkages to responsibilities, risks and time spent: 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 the operation of the Company and value of contribution, the practice of the Company's core values, familiarity with the goals and missions of the Company, awareness of the duties of a director, management and communication of internal relationship, director's professional and continuing education as well as internal control. 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. For example, the Chairman should be responsible for the board operations and corporate governance assessment results, the connection of shareholders' interests, the achievement rate of the Company's long-term strategic goals, the accomplishment of RE 100 and other ESG indicators. Remuneration for independent directors may be different from non-independent directors. The remuneration for the independent director who is serving as the chairman of the functional committee can be higher than other independent directors.
2. In addition to the above remuneration, director remuneration shall be disclosed when received from companies listed in the consolidated financial statements and reinvestment companies in the most recent year to compensate for their services, such as being independent consultants, etc.: 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)		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, Albert Chang, Yung-Chin Chen, George Chao, Tsong-Pyng Perng	Ping Cheng, Simon Chang, Victor Cheng, Albert Chang, Yung-Chin Chen, George Chao, Tsong-Pyng Perng	Albert Chang, Yung-Chin Chen, George Chao, Tsong-Pyng Perng	Albert Chang, Yung-Chin Chen, George Chao, Tsong-Pyng Perng
NT\$1,000,000 (incl.) to NT\$2,000,000 (not incl.)				
NT\$2,000,000 (incl.) to NT\$3,500,000 (not incl.)	Rose Tsou, Jack J.T. Huang	Rose Tsou, Jack J.T. Huang	Rose Tsou, Jack J.T. Huang	Rose Tsou, Jack J.T. Huang
NT\$3,500,000 (incl.) to NT\$5,000,000 (not incl.)	Mark Ko, Shyue-Ching Lu, Ji-Ren Lee	Mark Ko, Shyue-Ching Lu, Ji-Ren Lee	Shyue-Ching Lu, Ji-Ren Lee	Shyue-Ching Lu, Ji-Ren Lee
NT\$5,000,000 (incl.) to NT\$10,000,000 (not incl.)	Bruce CH Cheng	Bruce CH Cheng	Bruce CH Cheng	Bruce CH Cheng
NT\$10,000,000 (incl.) to NT\$15,000,000 (not incl.)				
NT\$15,000,000 (incl.) to NT\$30,000,000 (not incl.)	Yancey Hai	Yancey Hai	Victor Cheng	Victor Cheng
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)			Mark Ko	Mark Ko
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)			Yancey Hai, Ping Cheng, Simon Chang	Yancey Hai, Ping Cheng, Simon Chang
Above NT\$100,000,000				
Total	14 persons	14 persons	14 persons	14 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 invested 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 presidents and vice-presidents

Unit: NT\$1,000

Title	Name	Salary (A) (Note 2)		Pension(B)		Bonus and Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Amount and 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	All Companies in The Consolidated Financial Statements (Note 5)	
Former Chairman in Strategic Steering Committee	Yancey Hai													
Chairman in Strategic Steering Committee	Mark Ko	31,374	31,374	409	409	1,701	1,701	145,756	0	158,260	0	179,239	191,743	60
CEO and Vice-Chairman in Strategic Steering Committee	Ping Cheng													
President, COO and Branch Manager	Simon Chang													

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

❖ Mr. Yancey Hai was relieved from the Chairman of Strategic Steering Committee effective on July 30, 2021. The information of employee remuneration distributed to Mr. Yancey Hai is disclosed until the date of his removal date.

❖ The Chairman of Strategic Steering Committee has been taken over by Mr. Mark Ko and the Vice-Chairman of Strategic Steering Committee has been taken over by Mr. Ping Cheng, effective from October 28, 2021.

## Table of Remuneration Ranges

Range of Remuneration Paid to General Managers and Vice-General Managers	Names of Presidents and Vice-Presidents	
	The Company (Note 6)	All companies in The Consolidated Financial Statements (Note 7) E
Below NT\$1,000,000		
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.)		
NT\$30,000,000 (incl.) to NT\$50,000,000 (not incl.)	Yancey Hai, Mark Ko	Yancey Hai, Mark Ko
NT\$50,000,000 (incl.) to NT\$100,000,000 (not incl.)	Ping Cheng, Simon Chang	Ping Cheng, Simon Chang
Above NT\$100,000,000		
Total	4 persons	4 persons

Note 1: The names of the presidents and the vice-presidents 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 presidents and vice-presidents 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 presidents and vice-presidents 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 presidents and vice-presidents 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 presidents and vice-presidents 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 president and vice-president paid by the Company with disclosure of the names of presidents and vice-presidents in the corresponding brackets.

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

b. If the presidents or vice-presidents 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. presidents and vice-presidents 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 Amount	Cash Amount	Total	Percentage of the Total to Net Income (%)
Managers	Former Chairman in Strategic Steering Committee	Yancey Hai	0	169,880	169,880	0.63%
	Chairman in Strategic Steering Committee	Mark Ko				
	CEO and Vice-Chairman in Strategic Steering Committee	Ping Cheng				
	President, COO and Branch Manager	Simon Chang				
	Former Corporate CFO	Judy Wang				
	Corporate CFO	Beau Yu				
	Corporate Governance Officer	Shalin Chen				

- ❖ Mr. Yancey Hai was relieved from the Chairman of Strategic Steering Committee effective on July 30, 2021. The information of employee' remuneration distributed to Mr. Yancey Hai is disclosed until the removal date.
- ❖ The Chairman of Strategic Steering Committee has been taken over by Mr. Mark Ko and the Vice-Chairman of Strategic Steering Committee has been taken over by Mr. Ping Cheng, effective from October 28, 2021.
- ❖ Ms. Judy Wang resigned as the Corporate CFO effective from August 1, 2021. The position has been taken over by Mr. Beau Yu. The information of employee' remuneration distributed to Ms. Judy Wang is disclosed until the date of her resignation and Mr. Beau Yu is disclosed since he took the position.

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, presidents or vice-presidents 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, presidents and vice-presidents 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, presidents and vice-presidents of the Company

### The Company

Unit: NT\$1,000

Year	Total Remuneration to Directors, Presidents and Vice-Presidents	The Proportion of Total Amount to Profit after Income Tax (%)
2020	221,811	0.87%
2021	241,696	0.90%

### All Consolidated Companies

Unit: NT\$1,000

Year	Total Remuneration to Directors, Presidents and Vice-Presidents	The Proportion of Total Amount to Profit after Income Tax (%)
2020	268,962	1.06%
2021	262,136	0.98%

#### 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 the operation of the Company and value of contribution, the practice of the Company's core values, familiarity with the goals and missions of the Company, awareness of the duties of a director, management and communication of internal relationship, director's professional and continuing education as well as internal control. 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. For example, the Chairman should be responsible for the board operations and corporate governance assessment results, the connection of shareholders' interests, the achievement rate of the Company's long-term strategic goals, the accomplishment of RE 100 and other ESG indicators. Remuneration for independent directors may be different from non-independent directors. The remuneration for the independent director who is serving as the chairman of the functional committee can be higher than other 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 3 (A) meetings of the 18th term Board of Directors were held in 2021. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Yancey Hai	3	0	100%	-
Vice-Chairman	Mark Ko	3	0	100%	-
Director	Bruce CH Cheng	3	0	100%	-
Director	Ping Cheng	3	0	100%	-
Director	Simon Chang	3	0	100%	-
Director	Albert Chang	3	0	100%	-
Director	Victor Cheng	3	0	100%	-
Independent director	Yung-Chin Chen	3	0	100%	-
Independent director	George Chao	3	0	100%	-
Independent director	Tsong-Pyng Perng	3	0	100%	-
Independent director	Ji-Ren Lee	3	0	100%	-

Independent directors attended each meeting of the 18th term Board of Directors in 2021 as follows:

Title	Name	The 18th Term		
		16th	17th	18th
		2021.2.24	2021.4.28	2021.6.21
Independent director	Yung-Chin Chen	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	George Chao	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Tsong-Pyng Perng	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Ji-Ren Lee	Attendance in Person	Attendance in Person	Attendance in Person

A total of 7 (C) meetings of the 19th term Board of Directors were held in 2021 and 2022 till the date of publication of the annual report. The attendance of directors was as follows:

Title	Name	Attendance in Person (D)	By Proxy	Attendance Rate (%) (D/C)	Remarks
Chairman	Yancey Hai	7	0	100%	-
Vice-Chairman	Mark Ko	7	0	100%	-
Director	Bruce CH Cheng	7	0	100%	-
Director	Ping Cheng	7	0	100%	-
Director	Simon Chang	7	0	100%	-
Director	Victor Cheng	7	0	100%	-
Independent director	Ji-Ren Lee	7	0	100%	-
Independent director	Shyue-Ching Lu	7	0	100%	-
Independent director	Jack J.T. Huang	7	0	100%	-
Independent director	Rose Tsou	7	0	100%	-

Independent directors attended each meeting of the 19th term Board of Directors in 2021 and 2022 till the date of publication of the annual report as follows:

Title	Name	The 19th Term						
		1st	2nd	3rd	4th	5th	6th	7th
		2021.7.19	2021.7.29	2021.10.01	2021.10.28	2021.12.17	2022.2.24	2022.4.28
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
Independent director	Shyue-Ching Lu	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Jack J.T. Huang	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent director	Rose Tsou	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 Audit Committees, so 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 is 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 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. 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, 2021  
 Proposal: To approve the appointment of managers  
 Directors' avoidance of motions in conflict of interest: Mark Ko and Ping Cheng  
 Contents of motion, causes for avoidance and voting: Based on Article 206 of the Company Act, except for the director, Mr. Mark Ko and Mr. Ping Cheng who shall not participate in voting on the appointment of manager, the rest of directors unanimously approved this motion.  
  
 Proposal: To approve recommendations on 2021 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: 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.

(3) Board of Directors' meeting on February 24, 2022

Proposal: To approve recommendations on 2021 Chairman' compensation

Directors' avoidance of motions in conflict of interest: Yancey Hai

Contents of motion, causes for avoidance and voting: Based on Article 206 of the Company Act, except for the directors, Mr. Yancey Hai who shall not participate in voting on Chairman' compensation, the rest of directors unanimously approved this motion.

(4) Board of Directors' meeting on April 28, 2022

Proposal: To approve recommendations on 2022 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.

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 and an external independent professional institution or a panel of external experts and scholars at least once every three years.</p>	<p>Internal board performance evaluation: From January 1, 2021 to December 31, 2021 External board performance evaluation: From January 1, 2019 to December 31, 2019</p>	<p>Internal evaluation scopes include the board as a whole, individual directors, audit committee and compensation committee. Evaluation scopes for external independent professional institution include the board as a whole (exclusive of functional committees, such as audit committee and compensation committee)</p>	<p>Inclusive of 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"> <li>1. Participation in the operation of the Company;</li> <li>2. Improvement of the quality of the board of directors' decision making;</li> <li>3. Composition and structure of the board of directors;</li> <li>4. Election and continuing education of the directors; and</li> <li>5. Internal control.</li> </ol> <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"> <li>1. Familiarity with the goals and missions of the Company;</li> <li>2. Awareness of the duties of a director;</li> <li>3. Participation in the operation of the Company;</li> <li>4. Management and communication of internal relationship;</li> <li>5. The director's profession and continuing education; and</li> <li>6. Internal control.</li> </ol> <p>C. The criteria for evaluating the performance of the audit committee includes the following five aspects:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Awareness of the duties of the audit committee;</li> <li>3. Improvement of quality of decisions made by the audit committee;</li> <li>4. Makeup of the audit committee and election of its members; and</li> <li>5. Internal control.</li> </ol> <p>D. The criteria for evaluating the performance of the compensation committee includes the following four aspects:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Awareness of the duties of the compensation committee;</li> <li>3. Improvement of quality of decisions made by the compensations committee; and</li> <li>4. Makeup of the compensation committee and election of its members.</li> </ol>



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.

The measures taken to strengthen the functionality of the board and evaluate the implementation of such measures of the Company, please refer to the “3.4.2 Audit Committee”, “3.4.3 The state of the Company’s implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance” and “3.4.4 Compensation Committee” in the “Implementation of Corporate Governance” section 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 3 (A) meetings of the 3rd term Audit Committee were held in 2021. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note 1, 2)	Remarks
Independent director (Convener and Chairman)	Yung-Chin Chen	3	0	100%	Former Independent director Elected on July 19, 2021
Independent director (Member)	George Chao	3	0	100%	Former Independent director Elected on July 19, 2021
Independent director (Member)	Tosng-Pyng Perng	3	0	100%	Former Independent director Elected on July 19, 2021
Independent director (Member)	Ji-Ren Lee	3	0	100%	Former Independent director Elected on July 19, 2021

A total of 7 (C) meetings of the 4rd term Audit Committee were held in 2021 and 2022 till the date of publication of the annual report. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (D)	By Proxy	Attendance Rate (%) (D/C) (Note 1, 2)	Remarks
Independent director (Convener and Chairman)	Ji-Ren Lee	7	0	100%	Re-elected Independent Director Elected on July 19, 2021 Not served more than 3 consecutive terms
Independent director (Member)	Shyue-Ching Lu	7	0	100%	New Independent Director Elected on July 19, 2021 Not served more than 3 consecutive terms
Independent director (Member)	Jack J.T. Huang	7	0	100%	New Independent Director Elected on July 19, 2021 Not served more than 3 consecutive terms
Independent director (Member)	Rose Tsou	7	0	100%	New Independent Director Elected on July 19, 2021 Not served more than 3 consecutive terms

Note 1: Once independent directors resigned before the end of fiscal year, his/her resignation date shall be remarked, and the attendance rate (%) shall be calculated by the number of audit committee meetings and the/her actual attendance during their term of office.

Note 2: Once independent directors re-elected before the end of fiscal year, both the new independent directors and former independent directors shall be disclosed and indicate the independent directors are new or former re-elected with the election date. The attendance rate (%) shall be calculated by the number of audit committee meetings and the/her actual attendance during their term of office.

#### Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, objections, reservations or major advice items, 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:

Meeting Date of Audit Committees	Contents of resolutions and follow-up	Contents of objections, reservations or major advice items	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
2021.02.24 The 15th in the 3rd term	1. To approve 2020 annual final accounting books and statements	None	V	None
	2. To approve the distribution of 2020 earnings	None	V	None
	3. To evaluate the independence of the appointed external auditors	None	V	None
	4. To approve the assessment of the effectiveness of the 2020 internal control system	None	V	None
	5. To approve 2020 Internal Control System Statement	None	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				
2021.06.21 The 17th in the 3rd term	1. To approve the disposal of Optovue, Inc.	None	V	None
	2. To approve the establishment of the Delta Tax Policy	None	V	None
	Resolution of the Audit Committee (2021.06.21): 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				
2021.07.19 The 1st in the 4th term	To Elect the Convener and Chairman of the 4th term Audit Committee	None	V	None
	Resolution of the Audit Committee (2021.07.19): 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			
2021.07.29 The 2nd in the 4th term	1. To approve the amendments to the Delta Group Personal Data Protection	None	V	None
	2. To approve the change of the Company's financial officer, accounting officer and manager	None	V	None
	Resolution of the Audit Committee (2021.07.29): 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			
2021.10.01 The 3rd in the 4th term	1. Delta International Holding Limited B.V. intended to acquire Infinova (Canada) Ltd. and its subsidiaries	None	V	None
	2. To approve the disposal of equipment of battery cell assembly	None	V	None
	3. To approve the amendments to the Authorized Limited for the Acquisition or Disposal of Assets	None	V	None
	Resolution of the Audit Committee (2021.10.01): 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				

Meeting Date of Audit Committees	Contents of resolutions and follow-up	Contents of objections, reservations or major advice items	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
2021.10.28 The 4th in the 4th term	1. To appoint independent expert to issue fairness opinion	None	V	None
	2. To approve the construction of Chungli Plant 6 in Chungli District, Taoyuan City	None	V	None
	3. To approve the appointment of managers	None	V	None
	4. To approve the Company's 2022 internal audit plan	None	V	None
	Resolution of the Audit Committee (2021.10.28): 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			
2021.12.17 The 5th in the 4th term	1. Delta International Holding Limited B.V. intended to acquire UI Acquisition Holding Co. and its subsidiaries	None	V	None
	Resolution of the Audit Committee (2021.12.17): 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			
2022.02.24 The 6th in the 4th term	1. To approve 2021 annual final accounting books and statements	None	V	None
	2. To approve the distribution of 2021 earnings	None	V	None
	3. To approve the short-form merger with its 99.97% owned subsidiary, Allied Material Technology Corp.	None	V	None
	4. To appoint the external auditors for the fiscal year of 2022 and evaluate the independence of the appointed external auditors	None	V	None
	5. To approve the amendments to the "Rules Governing the Scope of Powers of Independent Directors", the "Audit Committee Charter Rules" and the "Procedures of the Meeting of Board of Directors"	None	V	None
	6. To approve the assessment of the effectiveness of the 2021 internal control system	None	V	None
	7. To approve 2021 Internal Control System Statement	None	V	None
	Resolution of the Audit Committee (2022.02.24): 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			

Meeting Date of Audit Committees	Contents of resolutions and follow-up	Contents of objections, reservations or major advice items	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
2022.04.28 The 7th in the 4th term	1.To approve 2022 Q1 consolidated financial statement	None	V	None
	2.To approve the amendments to “Corporate Governance Best Practice Principles”	None	V	None
	3.To approve the amendments to “Article of Incorporation”	None	V	None
	4.To approve the amendments to “Shareholders' Meeting Rules and Procedures”	None	V	None
	5.To approve the amendments to “Operating Procedures of Acquisition or Disposal of Assets”	None	V	None
	6.To approve the amendments to “Operating Procedures of Fund Lending”	None	V	None
	Resolution of the Audit Committee (2022.04.28): 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				

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. 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 solely 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. 39 “Communications with Those Charged with Governance” and the rule No. 0930105373 issued by the Securities and Futures Commission on March 11, 2004, a CPA should audit the Company's consolidated financial statements (including parent company financial statement annually) quarterly during the planning and completion stages as well as collect and organize all information to be given solely to the Audit Committees either in writing or orally in person.

Communications between the independent directors and the Company's chief internal auditor and CPAs in 2021 and 2022 until the publication of the annual report:

Meeting Date of Audit Committees	Material Communication Items between Chief Internal Auditor	Material Communication Items between the CPAs
2021.02.24 The 15th in the 3rd term	Report and communication on audit report of 2020 Q4	CPAs attended the meeting in person for discussing and communicating with independent directors on 2020 consolidated and parent only financial statement and report of independent accountants and yearly audit plan.
2021.04.28 The 16th in the 3rd term	Report and communication on audit report of 2021 Q1	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.
2021.07.29 The 2nd in the 4th term	Report and communication on audit report of 2021 Q2	CPAs attended the meeting in person for discussing and communicating with independent directors on 2021 Q2 consolidated financial statement and review report of independent accountants.
2021.10.28 The 4rd in the 4th term	Report and communication on audit report of 2021 Q3 The Company's 2022 internal audit plan	CPAs attended the meeting in person for discussing and communicating with independent directors on 2021 Q3 consolidated financial statement and review report of independent accountants.
2022.02.24 The 6th in the 4th term	Report and communication on audit report of 2021 Q4	CPAs attended the meeting in person for discussing and communicating with independent directors on 2021 consolidated and parent only financial statement and report of independent accountants and yearly audit plan.
2022.04.28 The 7th in the 4th term	Report and communication on audit report of 2022 Q1	CPAs attended the meeting in person for discussing and communicating with independent directors on 2022 Q1 consolidated financial statement and review report of independent accountants.
Executive result: The matters mentioned above have been reviewed or approved by the Audit Committee and no objection from the independent directors.		

**3.4.3 The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies, and the reason for any such variance**

**3.4.3.1. Corporate governance and code of ethics**

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	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?	√		There is no shareholder as an actual controller to the Company. The Company report the changes in major shareholders of 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 Board of Directors of the Company approved the amendments to the "Corporate Governance Best Practice Principles" on April 28, 2022 that indicates when insiders of the Company have been informed the financial position and performance of the financial statements, the insiders shall not trade their own shares from 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements.	

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			The Company holds related training courses for current directors, officers and employees at least once a year, and new comers are required to receive orientation training by the HR department during the pre-employment training. Online courses were conducted in internal system from January 1 to December 31 2021 for current directors, officers and employees. All Delta members can take online courses at any time and return for annual training without specific start date. In 2021, 8,364 personnel received trainings for the 0.13 hour/per person online course and 1,187 personnel received trainings for the 0.63 hour/per person online course covering insider trading prevention and Procedures for Handling Material Inside Information, etc.	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors of the Company establish a diversity policy, set a specific management goal and implement for the composition of its members?</p>	√		<p>The Board of Directors of the Company has established its Corporate Governance Best Practice Principles and Directors Elections Regulations, and the specific management goal and implementation are as follows:</p> <p>Goal: 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. The Company actively cooperate with Financial Supervisory Commission R.O.C. to promote Corporate Governance 3.0 - Sustainable Development Roadmap. In 2021, the Company added one female director (including independent director) with different professional background. In 2022, the Company expected to add two female directors (including independent directors) and add one director (including independent director) who having accounting profession background.</p> <p>The composition of the Board of Directors should take following abilities into consideration including 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</p>	<p>Compliance with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies</p>



Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>industry, an international market perspective, ability to lead and ability to make policy decisions. In order to enhance the overall knowledge of the Company's highest management unit on economic, environmental and social issues, the target of the Company is to invite internal or external lecturers to hold at least 6 hours internal training sessions annually.</p> <p>Achievement: The Board of Directors of the Company is made up of 10 directors. The proposition of the directors who are not employees of the Company is accounted for 60% (2020: 55%), the proposition of independent directors is accounted for 40% (2020: 36%) and the proposition of female directors (including directors) is accounted for 10% (2020: 0%). The professional background of the Board of Directors of the Company extends to control engineering, engineering, management, legal and mass media, etc. All directors have work experiences required for Company's business for exerting the strategic guidance function. The Board of Directors of the Company have nominated a female director and a female independent director who is specializing in accounting for election of directors (including independent directors) in 2022. (The implementation of diversity of the Board of Directors' members is shown in Note 1)</p> <p>In 2021, the Company invites directors to participate in the internal training sessions on "From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan -US-China Trilateral Relations" and "Duties and Responsibilities of Directors."</p>	
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	√		<p>The Company set up the 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. The Company also set up the Delta ESG Committee, please refer to the section of Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" in the annual report for its function.</p>	

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(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>The Company established the “Rules of Performance Evaluation of the Board of Directors” which includes the internal evaluation of the Board, self-evaluation by each Board members, each audit committee members and each compensation committee members at least once a year and also the external evaluation of the Board by appointed external independent professional institutions or a panel of external experts and scholars at least once every three years. The Company submit the report containing the criteria for evaluating and scoring, record the evaluation results to the Board of Directors for discussion and improvement.</p> <p>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 2021 was completed on February 24, 2022 and the results have been submitted to the Board of Directors for discussion on April 28, 2022. The assessing results of the self-evaluation of 2021 Board performance are: 4.97 scores out of 5 scores as weighted average scores for the performance of the board of directors; 4.78 scores out of 5 scores as weighted average scores for the performance of the board members; 4.77 scores out of 5 scores as weighted average scores for the performance of the Audit Committee; and 4.77 scores out of 5 scores as weighted average scores for the performance of the Compensation Committee. The assessing results of the self-evaluation indicators which were lower scored including “Participation in the operation of the Company”, “Management and communication of internal relationship” and “The director’s profession and continuing education.”</p> <p>The overall performance of the Board of Directors, the Audit Committee and the Compensation Committee is working effectively.</p>	

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company regularly evaluate the independence of CPAs?	√		<p>The Company from time to time hold a number of meetings and invite directors to participate, such as, Strategy Reports, Technology Strategy Meeting (TSM) and so on to focus on major issues for the Company's further development and also discuss the Company's growth strategy together thereby increasing the communication opportunities between directors and participation in the Company's operations. The Company held internal training sessions for directors on February 24, 2022 on the changes in international tax laws and impact on the Delta Group. The assessing results above have been disclosed on the Company's website and it will be considered for reference in the individual directors' compensation and nomination for following terms.</p> <p>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 February 24, 2021 and February 24, 2022 indicate the external auditors' compliance with the Company's independence standards. The criteria for CPA independence review are detailed in Note 2.</p>	
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 Corporate Governance Officer through a meeting of Board of Directors on April 29, 2019. The Corporate Governance Officer has served in a managerial position for over 3 years in a public company in a unit handling corporate governance affairs. The Corporate Governance Officer and the Investor Service unit are responsible for dealing with the following matters:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to Board meetings and shareholders Meeting;</li> <li>2. Producing minutes of Board meetings and shareholders meetings;</li> <li>3. Assisting in on Boarding and continuous development of directors;</li> <li>4. Furnishing information required for business execution by directors;</li> <li>5. Assisting directors with legal compliance; and</li> <li>6. Other matters described or established in the articles of incorporation or contract.</li> </ol> <p>The Corporate Governance Officer has performed the assigned tasks and participated 12 hours training sessions in 2021, and the detail of training sessions are shown in Note 3.</p>	Compliance with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
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?	√		Delta values communication with stakeholders. We regularly implement the process of materiality analysis, confirms and adjusts key sustainable issues, demonstrates ESG influence and responds to stakeholder expectations and suggestions. Delta defined 6 major stakeholders including employees, customers, suppliers, investors and shareholders, media, and communities. Delta adopts diverse channels (e.g. annual ESG report, online questionnaire and E-mail managed by dedicated people csr@deltaww.com, etc.) and sets up a webpage of ESG ( <a href="https://esg.deltaww.com">https://esg.deltaww.com</a> ) to communicate with stakeholders and also identify key issues of concern to stakeholders through materiality analysis and take the necessary actions to enhance the content of our information disclosures. The status of communication with stakeholders for the fiscal year of 2021 were reported to the Board of Directors on February 24, 2022. For stakeholder concerns and communication, please also refer to Chapter 3 Stakeholder Communication in the ESG Report.	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
7. Information Disclosure (1) Does the Company establish a corporate website to disclose both financial standings and the status of corporate governance? (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, webcasting investor conferences, etc.)?	√  √		The Company has established a public website to disclose both financial standings and the status of corporate governance.  In addition to building an English website along with designating a dedicated staff to maintain it, the Company created a spokesman system and dedicated a team to handle shareholder services. Information related to shareholders' meetings or investors' conferences is updated immediately on the Company website.	Compliance with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies

Evaluation Items	Implementation Status			Variance from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(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?	√		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.	
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.)?	√		Regarding information on employee rights, employee wellness, investor relations, supplier relations and rights of stakeholders, please refer to Chapter 4 "ESG" in the annual report.	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 8th term (2021) of Corporate Governance Evaluation, and the implementation for losing scored items are listed below: (1) Disclosure of the link between performance assessment and remuneration of directors and managers in the Company's annual report. (2) 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

Name	Diversity Items	Employee	Years as an independent director	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
Yancey Hai	N	N	0	International Business Management	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Mark Ko	Y	Y	0	Control Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Bruce CH Cheng	N	N	0	Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ping Cheng	Y	Y	0	Business Management	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Simon Chang	Y	Y	0	Business Management and Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Victor Cheng	Y	Y	0	Electrical Engineering	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ji-Ren Lee	N	N	6	Business Management and Industrial Engineering	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Shyue-Ching Lu	N	N	1	Electrical Engineering and Communication	Excellent	Good	Excellent	Excellent	Good	Good	Excellent	Excellent
Jack J.T. Huang	N	N	1	Law	Excellent	Good	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Rose Tsou	N	N	1	Business Management and Mass Communication	Excellent	Excellent	Excellent	Excellent	Good	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 relation 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 of Corporate Governance Officer in 2021 are shown below:

Institution of Training	Name of the Training Session	Period of Training		Hours of Training
		Start	End	
Taiwan Corporate Governance Association	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	2021/02/24	2021/02/24	3
Accounting Research and Development Foundation	Analysis of New/Revised (2020) Contents of New IFRS	2021/05/27	2021/05/27	3
Accounting Research and Development Foundation	Financial Risks and Cases Analysis of Disposal of Real Estate Equity in China for Taiwanese Enterprises	2021/06/25	2021/06/25	3
Taiwan Corporate Governance Association	Duties and Responsibilities of Directors	2021/07/29	2021/07/29	3
Accounting Research and Development Foundation	Discussion on Corporate Governance from the Practical Cases of Competition for the Right of Management	2021/11/17	2021/11/17	3
Accounting Research and Development Foundation	How to Effectively Execute the Function of Corporate Governance Officer and Discuss the Legal Liabilities of Managers	2021/11/24	2021/11/24	3

### 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	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Vice-Chairman	Mark Ko	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Director	Bruce CH Cheng	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Director	Ping Cheng	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Director	Simon Chang	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Director	Victor Cheng	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Independent Director	Ji-Ren Le	2021/02/24	From the Fragmentation and Reconstruction of the American Dream-The Future of Taiwan-US-China Trilateral Relations	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
Independent Director	Shyue-Ching Lu	2021/03/02	Corporate Sustainability Training Course	3.0
		2021/07/29	Directors' Functions and Responsibilities	3.0
		2021/08/03	Fully activate the digital resilience of enterprises - from ransomware to talk about emergency response and response to incidents	3.0
		2021/10/19	Trends and Challenges of Information Security Governance (Part 1)	3.0
		2021/10/19	Trends and Challenges of Information Security Governance (Part2)	3.0
Independent Director	Jack J. T. Huang	2021/05/05	ESG/CSR and Sustainable Governance in 2021	3.0
		2021/05/11	【Enterprise Innovation - Subscription Economy Strategic Thinking】	3.0
Independent Director	Rose Tsou	2021/07/29	Directors' Functions and Responsibilities	3.0
		2021/10/19	Trends and Challenges of Information Security Governance (Part 1)	3.0
		2021/10/19	Trends and Challenges of Information Security Governance (Part2)	3.0

### 3.4.3.3. Continuing education/training of management

Vice-Chairman Mark Ko, Directors Ping Cheng, Simon Chang and Corporate Governance Officer, Shalin Chen 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” and “Training sessions of Corporate Governance Officers in 2021”.



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

Title	Name	Date of training	Name of training session	Hour of training
Corporate CFO	Beau Yu	2021/10/26	Aspects of "Sustainable Development" New Policy, Climate Governance and Low-Carbon Management	6.0
		2021/11/10	Analysis of the latest corporate governance policy and setting up "corporate governance personnel" to audit legal compliance practice	6.0

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

Title	Name	Date of training	Name of training session	Hour of training
Chief Internal Auditor	Louis Lin	2021/11/03	Interpretation of financial analysis indicators and management risk prevention	6.0
		2021/11/10	Policy Analysis for "Enterprise's Self-Preparation of Financial Statements" and Key Discussion on Internal Audit and Internal Control Practice	6.0

#### 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 2021 are listed below:

Insured Individuals	Insurance Company	Insured amount	Insured Period
Directors, Supervisors and Managers	(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 NTD570,160,000)	From: January 1, 2021 To: June 30, 2022

#### 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 and trade secret protection program are 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, promotes cross-function technology sharing, undertakes patent strategy planning, strengthens patent portfolio, and monetizes patent assets by means of patent licensing, to protect Delta's rights and interests in accordance with Delta's operating goal. Delta encourages and rewards inventors to protect innovations in Delta's products and technologies, and to improve competitiveness.

## 2. Trade Secret protection policy

Trade secret is very important to leading position of technology, outstanding manufacturing, and the trust of customers. To well protect Delta's trade secret, Delta not only put emphasis on the protection of particular intellectual property rights, but also manage the overall innovation of trade secret. Moreover, defined in the Code of working rules and employment agreement, employees are strictly required to protect and prevent from improperly disclose company's trade secret.

## 3. 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 4th meeting of the 19th session of the Board of Directors meeting (October 28, 2021).

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.

In 2021, update of the Information Security Policy and revise the Reward and Punishment Rules.

In 2021, add of Intellectual Property Right Management Guideline to continuously maintain patent assets and achieve operating goal.

The current list of Intellectual Property assets are as follows:

### 1. Patent:

As of the end of 2021, Delta Electronics has applied for approximately 19,500 patents worldwide, of which around 1,200 patent applications have been filed in 2021. The accumulated total number of granted patents worldwide is more than 13,000.

### 2. Trade Secret:

Till the end of 2021, Delta has established the information security management mechanism, and we also put emphasis on the importance of trade secret protection in the revised employment agreement, Code of conduct, and supplier's purchase agreements. We hold trainings to facilitate colleagues understanding the importance of trade secret, and how to adopt the precautionary measures.

3. Trademark:

As of the end of 2021, 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." 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. Before the election in the Annual General Shareholders' Meeting on July 19, 2021, the independent director Mr. George Chao was the convener and chairman of the meeting for the 4th term of Compensation Committee. After the appointment by the Board of Directors on July 29, 2021, the independent director Mr. Shyue-Ching Lu was the convener and chairman of the meeting for the 5th term of Compensation Committee.

1. Information of Members of the Compensation Committee

April 28, 2022

Criteria		Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of Compensation Committee
Title	Name			
Independent Director (Convener)	Shyue-Ching Lu	Mr. Shyue-Ching Lu served as Director General in the Department of Posts and Telecommunications at Ministry of Transportation and Communications Republic of China (MOTC) in 1993, after that, he was the Director of the Institute of Telecommunications at MOTC, Deputy Director at Telecommunications at MOTC, Chairman and CEO of Chunghwa Telecom Co., Ltd., Mr. Shyue-Ching Lu has over 5-year work experiences and necessary work experience for the business of the Company, and Mr. Shyue-Ching Lu does not have any circumstances defined in the Article 30 of Company Act. Currently, Mr. Shyue-Ching Lu is the Independent Director of Radium Life Tech Co., Ltd. (since 2016 till now) and the Independent Director in MiTAC Holdings Corporation (since 2016 till now).	During the two years before being elected and during the term of office, Mr. Shyue-Ching Lu does not have any circumstances defined in the Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	2

Title	Criteria	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director	Ji-Ren Lee	<p>Mr. Ji-Ren Lee was the Associate Dean in the Department of Management and the Executive Director in EMBA Program at National Taiwan University from 2005 to 2008. Mr. Ji-Ren Lee was the Director in the Creativity and Entrepreneurship Program at National Taiwan University from 2013 to 2020. After retirement in 2020, Mr. Ji-Ren awarded the Professor Emeritus of International Business from National Taiwan University.</p> <p>Mr. Ji-Ren Lee has over 5-year work experiences and business strategy management (including finance) experiences and necessary work experience for the business of the Company, and Mr. Ji-Ren Lee does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Mr. Ji-Ren Lee is the Independent Director of ACER Incorporated (since 2014 till now) and the Independent Director in VIVOTEK, Inc. (since 2018 till now).</p>	<p>During the two years before being elected and during the term of office, Mr. Ji-Ren Lee does not have any circumstances defined in the Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.</p>	3
Independent Director	Rose Tsou	<p>Ms. Rose Tsou was the General Manager at Yahoo Taiwan from 2000 to 2007, and she was Managing Director of Yahoo Asia Pacific in 2007, and she was the head of International at Verizon Media from 2018 to 2020.</p> <p>Ms. Rose Tsou does not have any circumstances defined in the Article 30 of Company Act.</p> <p>Currently, Ms. Rose Tsou is the Independent Director of Sercomm Corp. (since 2017 till now) and the Independent Director in IPEVO Corporation (since 2021 till now).</p>	<p>During the two years before being elected and during the term of office, Ms. Rose Tsou does not have any circumstances defined in the Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.</p>	2

Title	Criteria		Independence Status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	Name	Professional Qualification and Experience (Note 1)		
Independent Director	Jack J.T. Huang	Mr. Jack J.T. Huang was honored S.J.D. from Harvard University in 1983, and he was the Attorney-at-Law at Jones Day Taipei Office and the Honorary Chairman at Taiwan M&A and Private Equity Council. Mr. Jack J.T. Huang has over 5-year work experiences and necessary work experience for the business of the Company, and Mr. Jack J.T. Huang does not have any circumstances defined in the Article 30 of Company Act. Currently, Mr. Jack J.T. Huang is the Independent Director of WPG Holding Limited (since 2005 till now), the Independent Director in Systex Corporation (since 2007 till now) and the Independent Director in CTCI Corporation (since 2014 till now).	During the two years before being elected and during the term of office, Mr. Jack J.T. Huang does not have any circumstances defined in the Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	3

Note 1 : Professional Qualification and Experience: describe professional qualification and work experience for each member of the Compensation Committee.

Note 2 : Independence Status: describe independence status for each member of the Compensation Committee including but not limited to: If he person, spouse, relative within the second degree of kinship is a director, supervisor or an employee of the Company or any of its affiliates; The shareholding held by the person, spouse, relative within the second degree of kinship (or held by the person under any other's name) and the percentage; If he person, spouse, relative within the second degree of kinship is a director, supervisor or an employee of specified company or institution that has a financial or business relationship with the company. (please refer to subparagraphs 5-8 in section 1 of Article 6 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange"); The cumulative compensation received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years.

## 2. Information of Compensation Committee Operations

- (1) The 4th term of the Compensation Committee has 4 members, the 5th term of the Compensation Committee has 4 members.
- (2) The tenure of 4th term of the Company's Compensation Committee : July 31, 2018 to July 19, 2021. A total of 2 (A) meetings of the 4th term of the Compensation Committee was held from January 1, 2021 to July 19, 2021. Membership and attendance were as follows:

Title	Name	Personally Attended (B)	Attended by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener and Chairman (Independent Director)	George Chao	2	0	100%	Former Convener and Chairman of Compensation Committee Removed on July 19, 2021
Member (Independent Director)	Yung-Chin Chen	2	0	100%	Former Compensation Committee Member Removed on July 19, 2021
Member (Independent Director)	Tsong- Pyng Perng	2	0	100%	Former Compensation Committee Member Removed on July 19, 2021
Member (Independent Director)	Ji-Ren Lee	2	0	100%	Former Compensation Committee Member Removed on July 19, 2021

- (3) The tenure of 5th term of the Company's Compensation Committee : July 29, 2021 to July 18, 2024. A total of 4 (C) meetings of the 5th term of the Compensation Committee was held in 2021 and 2022 till the date of publication of the annual report. Membership and attendance were as follows:

Title	Name	Personally Attended (D)	Attended by Proxy	Attendance Rate (%) (D/C)	Remarks
Convener and Chairman (Independent Director)	Shyue-Ching Lu	4	0	100%	New Independent Director Elected on July 29, 2021
Member (Independent Director)	Ji-Ren Lee	4	0	100%	Re-elected Independent Director Elected on July 29, 2021
Member (Independent Director)	Rose Tsou	4	0	100%	New Independent Director Elected on July 29, 2021
Member (Independent Director)	Jack J.T. Huang	4	0	100%	New Independent Director Elected on July 29, 2021

### 3. Other mentionable items:

#### (1) Discussion Subjects and Resolutions of Compensation Committee

Date of Compensation Committee	Subject	Resolution
February 24, 2021 The 8th in the 4th term	1. The distribution of 2020 employees and directors' compensation.	1. Passed by all members unanimously.
April 12, 2021 The 9th in the 4th term	1. Proposal for the recommendation on 2021 managers' compensation.  2. Proposal for the percentage of distribution as 2021 employees' compensation	1. 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 objection. The compensation proposal for all managers was unanimously approved by the Board of Directors on April 28, 2021.  2. Passed by all members unanimously.
October 28, 2021 The 1st in the 5th term	1. Proposal for the recommendation on 2021 Chairman's compensation. 2. Proposal for the recommendation on 2021 directors' compensation.	1. Passed by all members unanimously and propose to set Chairman's KPI indicators. 2. Passed by all members unanimously.
December 13, 2021 The 2nd in the 5th term	1. Proposal for the recommendation on 2021 Chairman's KPI indicators and compensation.	1. Passed by all members unanimously to set operations of the Board of Directors, corporate governance, link to the shareholders' rights and interests, long-term strategies and ESG as KPI indicators of the Chairman.
February 24, 2022 The 3rd in the 5th term	1. Proposal for the recommendation on 2021 Chairman's compensation.  2. The distribution of 2021 employees and directors' compensation.	1. Passed by all members unanimously for Chairman's KPI indicators and compensation after the amendment of the wording for long-term strategic indicator to ESG's self-advocacy indicator RE100 launches in 2022. 2. Passed by all members unanimously.

Date of Compensation Committee	Subject	Resolution
<p style="text-align: center;">April 21, 2022 The 4th in the 5th term</p>	<ol style="list-style-type: none"> <li>1. Proposal for the recommendation on 2022 managers' compensation.</li> <li>2. Proposal for amendment for managers' KPI indicators.</li> <li>3. Proposal for the percentage of distribution as 2022 employees' compensation</li> <li>4. Amendment to long-term incentive plan for key positions for 2023~2025.</li> <li>5. 2021 Compensation Committee performance evaluation report.</li> </ol>	<ol style="list-style-type: none"> <li>1. Passed by all members unanimously.</li> <li>2. Passed by all members unanimously.</li> <li>3. Passed by all members unanimously.</li> <li>4. Passed by all members unanimously to continue executing the long-term incentive plan for 3 years and propose to discuss at the next meeting after evaluation and design of the new incentive plan.</li> <li>5. HR and the Convener communicated in advance in terms of the subject of the meeting, the content of the materials and the discussion time required for the meeting, and suggested using the confidential document platform for communication with members in advance.</li> </ol>

(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 Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies"

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
1. Has the Company established a governance structure to promote sustainable development and set up an exclusively (or concurrently) designated unit to promote sustainable development, and has the Board of Directors authorized senior management to deal with and supervised the promotion of sustainable development?	√		<p>The Delta ESG Committee is the highest-level sustainability management unit within Delta. Since its establishment in 2007, it has 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.</p> <p>The chairman of the Delta ESG Committee reports results from the implementation of sustainable development and future work plans to the Board of Directors every quarter. In 2021, the committee convened a total of four meetings, whose contents of motion included: (1) reports on sustainable development issues (RE100, power purchase agreements (PPA) in relation to green power wheeling, internal carbon pricing, CDP, and carbon tax regulations); (2) stakeholder issues; (3) the current status of circular economy promotion; (4) "Race to Zero", a global campaign for net zero carbon emissions.</p> <p>The Board of Directors listens to sustainable development reports presented by the management team each quarter while reviewing the progress of the Company's sustainable development strategies and offering necessary guidance.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies
2. 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? (Note 2)	√		<p>Delta ESG Committee, pursuant to the AA1000 Stakeholder Engagement Standard (AA1000 SES), has defined stakeholders based on local and international trends in sustainable development as well as the needs of business operations. Delta and subsidiaries adopt 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.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies



Promoted Items	Implementation Status (Note 1)			Deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the Reason(s)
	Yes	No	Abstract Illustration	
			<p>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), that 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’s environment, social, and governance (ESG) efforts as well as an 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 the establishment of the “Delta Risk Management Policy” for risk management and execution. The Company has also appointed a Corporate Governance Officer to assist directors with regulatory compliance and more. Please refer to Chapter 4 of this annual report for more details.</p>	
<p>3. Environmental issues (1) Has the Company established environment management systems based on its industrial characteristics?</p>	√		<p>The Company’s main factories are in accordance with local and national environmental regulations, and 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>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with low environmental impacts?	√		<p>Dongguan Plant 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: Cyntec Hsinchu Plant ISO 50001 (Issue date: August 20, 2021; expiry date: March 3, 2024)</p> <p>Dongguan Plant GB / T23331-2012 / ISO 50001:2011 (Issue date: January 16, 2020; expiry date: January 15, 2023)</p> <p>Wujiang Plant GB / T23331-2012 / ISO 50001:2011 (Issue date: October 23, 2021; expiry date: August 30, 2023)</p> <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 arising from climate change every year and carries out complete assessments every three years in accordance with the TCFD framework announced by the Financial Stability Board.</p> <p>The Company completed its latest climate risk assessment at the end of 2020, focusing on four major risks out of the 22 climate risks based on the degree of relevance to the countermeasures taken. On top of that, the Company reviewed the need for relevant adjustments in 2021. With a view to reducing risks, the Company identifies the feasibility of opportunities and management methods at the same time. Key results are summarized in Chapter 4 "ESG" of this Annual Report and 2021 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, carbon reduction, 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 disclose its GHG emissions. Since 2016, 100% of Delta's main production plants have achieved ISO 14064-1 verification. Please refer to the 2021 Delta ESG report, Chap 5.3 Net zero commitment and carbon management.</p> <p>The emission data of Delta overall production plant in 2021 is as follow:</p>	

Promoted Items	Implementation Status (Note 1)		Abstract Illustration	Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)															
	Yes	No																	
			<p>The emission data of Delta overall production plant in 2021 is as follow:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Location-based</td> <td>405,050.79</td> <td>435,553.52</td> </tr> <tr> <td>GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Market-based</td> <td>177,811.15</td> <td>151,014.89</td> </tr> <tr> <td>Tap Water Consumption (Megaliters)</td> <td>3,751.5</td> <td>4,160.2</td> </tr> <tr> <td>Total Waste Generation (metric tons)</td> <td>39,447.0</td> <td>50,060.9</td> </tr> </tbody> </table>	Category	2020	2021	GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Location-based	405,050.79	435,553.52	GHG Emissions Scope 1 + Scope 2 (Metric ton-CO2e) Market-based	177,811.15	151,014.89	Tap Water Consumption (Megaliters)	3,751.5	4,160.2	Total Waste Generation (metric tons)	39,447.0	50,060.9	
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<p>4. Social issues</p> <p>(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Labor and Human Rights?</p> <p>(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>	√	√	<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. Policies have been released in the corporate governance section of the Company's official website, and the management results are disclosed in the annual ESG Report and the modern slavery statement. Please refer to 4. ESG, 4.1 I. Balanced interests for all stakeholders, 4.1.1 Human rights, employee rights and employee relations and the 2021 Delta ESG Report, Chap 6.4 Human rights protection.</p> <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. With a view to retaining high-performing employees and recruiting outstanding talents, the Company adjusted its salary structure for employees of the rank of executive (specialist) and above in 2021. As far as leave is concerned, the Company offers paid personal leave and other types of leave that are more generous than what is required by law, including travel leave and a travel subsidy of NT\$10,000 annually. In addition, the Company attaches great importance to workplace diversity and equality—the ratio of female employees is 48.3%, and the ratio of female supervisors is 32.3%. Please refer to Chap 6.4 Human rights protection.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies															

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(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?	√		Delta considers the importance of providing a safe and healthy workplace as one of its basic corporate social responsibilities. Delta's plants have been awarded the ISO 45001 Occupational Health and Safety Standard certification. Based on the 3E concept consisting of three interconnecting components, namely the Employee Assistance Program (EAP), ESG Indicators (ESG), and Employee Value Proposition (EVP), the Company has built a comprehensive welfare system using a systematic approach to health management aimed at creating a friendly workplace. In conjunction with the theme of the Health Promotion Administration for 2021 titled "Creating a new life in the workplace during the post-pandemic era", the Company kept its activities going during the outbreak by adjusting the planning of such activities in real time and on a rolling basis as well as organizing them digitally or in the cloud. This helped to continuously promote workplace health and facilitate work through the concerted efforts of everyone at the Company. With the aim of enhancing workers' safety and health knowledge as well as their disaster response capabilities, the Company conducts relevant safety and health training courses in accordance with the relevant laws and regulations as well as its operational needs. The Company also raises employees' awareness of workplace hazards and safety and health knowledge and concepts required for disaster prevention by sending e-mails, putting posters on bulletin boards, and holding safety knowledge quizzes to prevent occupational mishaps. The recordable occupational injury rate was 0.99 in 2021. In terms of injury type, they consisted mainly of clamping or coiling injuries. Factories shall implement equipment source management, install safety devices when purchasing machinery, and list them as routine inspection items.	
(4) Has the Company established effective career and competence development and training plans?	√		On skill enhancement and career support, the Company's committees for all position grades worldwide drive professional skill enhancement for their respective position grades. The Company also accelerates the development of employees at all levels by encouraging them to take part in job rotations, key talent development programs, emerging talent development programs, and its NBD talent development programs. In mid-2021, the Company launched the three-year "Pioneer Leadership Training Program for New Business Groups" in the hope of getting more outstanding colleagues with innovative minds to join its new business teams. Please refer to 4. ESG, 4.1 I. Balanced interests for all stakeholders, 4.1.1 Human rights, employee rights and employee relations, 4.1.1.2 Talent attraction and retention and the 2021 Delta ESG Report, Chap 6.2 Talent Attraction.	

Promoted Items	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies" and the Reason(s)
	Yes	No	Abstract Illustration	
(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?	√		All Company products follow international safety or environmental standards. We also label relevant information, such as compliance on products or packaging in accordance with environmental regulations for 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. The company's official website has a customer service link as follows, <a href="https://www.deltaww.com/zh-TW/customerService">https://www.deltaww.com/zh-TW/customerService</a> . Delta follows a personal data protection policy and is 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.	
(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?	√		Delta has established the Delta Group Supplier Code of Conduct in response to the development of international supply chain management, customer requirements and local regulations, in combination with years of ESG promotion experience. 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?	√		<p>Delta's ESG Report has been verified and assured by a third party. The third-party verification statement and assurance report are expected to be received on June 30, 2022.</p> <p>(1) The Company contracted SGS Taiwan to conduct 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 in 2021.</p> <p>(2) The Company contracted PwC Taiwan to conduct a limited assurance engagement on specific key performance information in accordance with ISAE3000.</p>	Compliance with the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies

Promoted Items	Implementation Status (Note 1)		Abstract Illustration	Deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the Reason(s)
	Yes	No		
<p>6. Where the Company has stipulated its own sustainable development principles according to the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies”, please describe actual activities taken by the Company and deviations from the prescribed best practices:</p> <p>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 3 “Corporate Governance Report” of this Annual Report. As for sustainable environment, social welfare, and ESG information disclosure, please see Chapter 4 “ESG” of this Annual Report.</p>				
<p>7. Other material information that can help to understand how sustainable development is promoted in the Company:</p> <p>Please see Chapter 4 “ESG” of this Annual Report for further explanation.</p>				

Note 1: If “Yes” is checked under Implementation Status, please state specifically the important policies, strategies, and measures adopted and the implementation status. If “No” is checked under Implementation Status, please explain the deviations from the “Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies” and the reasons for such deviations, and state the plans for adopting relevant policies, strategies, and measures in the future.

Note 2: The materiality principle refers to environmental, social, and corporate governance issues which have significant influence on the Company’s investors and other stakeholders.

Note 3: For more details on the disclosure method, please refer to the sample annual reports provided on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

### 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		Abstract Illustration	Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies” and Reason(s)
	Yes	No		
<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>✓</p> <p>✓</p>		<p>Based on the business philosophy of honesty, transparency and responsibilities of the Company, Delta has established an “Ethical Corporate Management Best Practice Principles” approved by the Board of Directors to set up a good operation mode with clear establishment of integrity policies. Besides, all board members must sign the declaration statement on ethical corporate management, which expects and requires the board and senior management to actively implement the ethical corporate management policy into internal management and business activities. The principles are detailed in the Corporate Governance section under Investors on the Company’s website. The implementation of ethical corporate management for this year is also disclosed in ESG report as well.</p> <p>The Company has set up risk assessment mechanisms for unethical behavior.</p> <ul style="list-style-type: none"> <li>● The Company set up “Risk Assessment and Prevention Plan for Ethical Corporate Management” to implement its ethical corporate management policy, to set up risk control mechanism, to regularly analyze and evaluate business activities with higher risk of dishonest conduct within the scope of business and to strengthen relevant preventive measures in order to reduce existing and potential risks.</li> <li>● The Company created the Risk Assessment form for Ethical Corporate Management and requested business and functional units to conduct annual risk assessments, while taking internal and external audit records into account; there were a total of 34 Risk Assessment forms (100% response rate) completed in 2021 with corresponding control measures drafted and implemented, including requests for employees to familiarize themselves with relevant laws and internal regulations of the Company, as well as regular monitoring with regard to illegal use of non-authorized software, etc.</li> <li>● The Prevention Program established by the Company includes preventive measures against the following : <ul style="list-style-type: none"> <li>a. Offering and acceptance of bribes.</li> <li>b. Illegal political donations</li> </ul> </li> </ul>	<p>Compliance with Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies</p>

Evaluation Items	Implementation Status		Abstract Illustration	Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reason(s)
	Yes	No		
(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>c. Improper charitable donations or sponsorship</p> <p>d. Offering or acceptance of unreasonable presents or hospitality, or other improper Benefits</p> <p>e. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights</p> <p>f. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services</p> <p>g. Prohibition of unfair competition</p> <ul style="list-style-type: none"> <li>● "Delta Group Code of Conduct" expressly states that Delta members should abide by all applicable anti-bribery and anti-corruption regulations, expressly refuse to offer or accept any form of illegitimate benefits, and avoid dealing with business partners who operate dishonestly. Illegal political donations shall not restrict or impede fair competition or infringe intellectual property rights by unfair means. Charitable donations or sponsorships shall comply with the "Management Procedures for Handling Charitable Donations or Sponsorships".</li> <li>● Article 8 of "Delta Corporate Social Responsibility Best Practice Principles" reveals the non-tolerance of bribery or corruption and avoidance of engaging in unfair competition.</li> </ul> <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"> <li>● "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.</li> <li>● "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.</li> <li>● "Policy of rewards and punishments" state the punishments for violating "Ethical Corporate Management Best Practice Principles" and "Delta Group Code of Conduct".</li> </ul>	



Evaluation Items	Implementation Status		Abstract Illustration	Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reason(s)
	Yes	No		
			<ul style="list-style-type: none"> <li>Regularly review and revise the above-mentioned relevant measures according to the implementation status, so as to prevent dishonest behaviors. This year, the penalties for information security and personal information leakage were revised according to the severity of the violation, and an easy-to-remember e-mail for reporting complaints was added. Reporting via email for employees and other stakeholders: HR.GRIEVANCE@deltaww.com; HR885@deltaww.com Reporting via email for suppliers: 885@deltaww.com</li> </ul> <p>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>	
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>The Company has implemented integrity record assessment of the business partners.</p> <ul style="list-style-type: none"> <li>"Delta Group Code of Conduct" clearly regulates the following principles: <ul style="list-style-type: none"> <li>Before establishing business relationships with others, the Company shall evaluate the legitimacy, integrity, and operational policy of the other 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.</li> <li>When the Company interacts with others, it should fully understand the integrity of the other party's business status, and strive to incorporate the principle of integrity into the contract. If any party's business activities involve dishonesty, it should immediately inform and cooperate with the investigation, and the other party may unconditionally suspend or cancel the contract at any time.</li> </ul> </li> <li>The Company takes the "Delta Supplier Code of Conduct" as an important guideline to implement ethical corporate management in supply chain management: <ul style="list-style-type: none"> <li>In addition to product liability and confidentiality clauses, the procurement contract has also incorporated clauses in the Supplier Code of Conduct-Responsible Business Alliance Code of Conduct aspects, environmental protection, conflict minerals, fair competition and antitrust, etc.</li> <li>Carry out hierarchical management of continuously trading suppliers, and conduct regular supplier ESG questionnaires to investigate their potential risks in labor, health and safety, environment, integrity and ethics, and management systems, and identify high-risk suppliers for systematic tracking, auditing and requirements for improvement.</li> </ul> </li> </ul>	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies

Evaluation Items	Implementation Status		Abstract Illustration	Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reason(s)
	Yes	No		
(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 HR Department and Legal/IP Department have been tasked to develop the ethical management policy, which is supervised by the Audit Department. The HR 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 2021 implementation of ethical corporate management to the Board of Directors on February 24, 2022.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<ul style="list-style-type: none"> <li>● In order to prevent conflicts of interest, the Company has formulated the "Delta Group Code of Conduct" to identify, monitor and manage the risks of dishonest behaviors that may result from conflicts of interest. The measures stipulate that Delta members should avoid conflicts of interest related to their positions, and shall not engage in any business, investment or activities that may conflict with the interests of Delta Group. In addition, appropriate channels are provided internally for directors, managers and other stakeholders to voluntarily declare whether they have a potential conflict of interest with the Company.</li> <li>● 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 and the strict prohibition of improper channeling of profits between the Company's stakeholders and shareholders based on the principles of fairness and reasonableness.</li> <li>● The operations of related party transactions, insider trading and the mechanisms for handling and disclosure of major internal information are regulated respectively in "Internal Control Procedures for Related Party Transactions", "Control Procedures for Preventing Insider Trading", and "Procedures for Handling Material Inside Information".</li> </ul>	

Evaluation Items	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
(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 CPAs to perform the audits?	✓		<ul style="list-style-type: none"> <li>● 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. 156 employees completed the declaration voluntarily this year (153 employees declared their internal relationships with friends and relatives, and 3 employees reported their own or their relatives' participation in the Company's business transactions).</li> <li>● The financial reports 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.</li> <li>● 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.</li> <li>● 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. CPAs 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.</li> </ul>	
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		<p>The Company's HR Department arrange relevant training to implement ethical corporate management:</p> <ul style="list-style-type: none"> <li>● New employees are required to participate in the orientation training for newcomers related to integrity corporate management. All employees return to the integrity corporate management/code of conduct/human rights policy publicity course through online courses every year, including instructions on the prohibition of insider trading and internal material information handling procedures, etc. The Company also holds physical ethical corporate management courses from time to time. In 2021, a total of 79,943 people in Delta Group globally participated in online training courses related to the topics mentioned above with a training completion rate of 96.1%.</li> </ul>	

Evaluation Items	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies" and Reason(s)
	Yes	No	Abstract Illustration	
			<ul style="list-style-type: none"> <li>● Regularly review and adjust the content of the training courses to strengthen the promotion of preventing dishonest behavior. In the 2021, an online course was produced in combination with the Company's ethical corporate management, code of conduct and human rights policy, and it was listed as an annual compulsory course for in-service colleagues to strengthen the awareness for dishonest behavior with practical cases.</li> <li>● The Company's publicity related to ethical corporate management operations include: listing honesty and integrity as a value and ability assessment item in employee performance evaluation, publishing an annual announcement on the regulation of conflict of interest avoidance and reminding colleagues to take the initiative to fill in the declaration form, and conducting ethical corporate management risk assessment with each unit every year.</li> <li>● For suppliers, the Company refers to the Responsible Business Alliance Code of Conduct as the main framework, and promotes suppliers to practice sustainable development through major aspects such as labor, occupational safety and health, environment, ethics and management systems. Based on the "Delta Supplier Code of Conduct", education and training materials are provided and supplier's commitment to integrity are signed.</li> </ul>	
<p>3. Operation of the whistle-blowing system of the Company</p> <p>(1) Does the Company establish both a practical reward and whistle-blowing systems, integrity hotline and appropriate personnel in charge to the reported object?</p>	✓		<p>"Delta Group Code of Conduct" and "Delta Group Management Measures of the Whistle-blowing 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 corporate management principle. 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 HR Department or head of the Legal/IP Department, a report can also be sent through the Company's local email address. If any whistle-blowing case is confirmed true and has made a significant contribution or resulted in financial effectiveness, the whistle-blower will be rewarded appropriately.</p> <p>Reporting via email for employees and other stakeholders:  HR.GRIEVANCE@deltaww.com ; HR885@deltaww.com  Reporting via email for suppliers: 885@deltaww.com</p>	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies

<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>✓</p>	<p>"Delta Group Management Measures of the Whistle-blowing System" states the procedures as follows:</p> <ul style="list-style-type: none"> <li>● The whistle-blower or the deputy person shall submit report in writing or verbally with specific fact and sufficient information of the alleged behavior or events against human rights, behavior principles or ethical corporate 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.</li> <li>● The whistle-blowing case shall be closed within one month and may be extended for one month if necessary. In the conclusion of the case, the whistle-blower shall be replied to through the "Reply Form for Whistle-blowing Event", unless the whistle-blower does not provide any contact information nor respond. If the whistle-blower is not satisfied with the resolution, he or she may fill out the "Record Form of Whistle-blowing Event" within 10 days from the date of receiving the reply and provide new reasons and new evidence with facts. It shall then be handled by another handling unit rather than the first handling unit and be appointed by CEO of the Company. Any application for reconsideration is limited to one time.</li> <li>● Any whistle-blowing case confirmed by a resolution, the Company will handle it in accordance with laws and related disciplinary regulations of the Company. Per the investigation, if any material violation is identified or is likely to cause serious damage to the Company, the handling unit shall report the case to the Audit Committee.</li> <li>● The whistle-blower and related personnel responsible for handling the case shall be responsible for confidentiality and preventing the whistle-blower from being treated unfairly, retaliated against or threatened. Violators shall be punished in accordance with the local disciplinary regulations.</li> </ul>		
<p>(3) Does the Company take measures to protect whistle-blowers from being mistreated due to whistleblowing?</p>	<p>✓</p>	<p>"Delta Group Code of Conduct" and "Delta Group Management Measures of the Whistle-blowing System" state the whistle-blower may choose to remain anonymous. The handling unit will keep the whistle-blower information strictly confidential, and will only disclose it to specific persons when the investigation is necessary. A reasonable preventive and protective measure will be applied to protect the whistle-blower from revenge or mistreatment.</p>		

Evaluation Items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies” and Reason(s)
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure 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 website 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](http://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. 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.
2. In addition, the Company also promptly discloses material information to the public and hold investor meetings periodically. In the 2021 Dow Jones Sustainability Indices (DJSI), a significant indicator of global corporate competitiveness, Delta has been selected for the DJSI World for eleven consecutive years, and the DJSI-Emerging Markets for nine consecutive years. What’s more, Delta’s ‘Climate Change’ and ‘Water Security’ campaigns were also included in the Leadership Level of the 2021 CDP (originally Carbon Disclosure Project) climate change report. In 2022, the Company ranked among top 5% of listed companies in the 8th term of Corporate Governance Evaluation by the Taiwan Stock Exchange.

### 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, 2022

Based on the findings of a self-assessment, Delta Electronics, Inc. states the following in regards to its internal control system during the year 2021:

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 follow 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. Each component includes number of items. Please see the Regulations for rules of the aforementioned items
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, 2021, 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, 2022, 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 2021 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
2021.02.24 The 16th in the 18th term	1. To approve 2021 corporate business plan	The Board unanimously approved this motion.
	2. To distribute 2020 employees' and directors' compensation	The Board unanimously approved this motion.
	3. To approve 2020 annual final accounting books and statements	The Board unanimously approved this motion.
	4. To distribute 2020 earnings	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.
2021.04.28 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 nominated directors (including independent directors)'s qualification	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.
2021.06.21 The 18th in the 18th term	1. To approve the disposal of Optovue, Inc.	The Board unanimously approved this motion.
	2. To approve the establishment of the Delta Tax Policy	The Board unanimously approved this motion.
	3. To postpone the 2021 annual general shareholders' meeting	The Board unanimously approved this motion.



Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2021.07.19 The 1st in the 19th term	1. To elect the Chairman and the Vice-Chairman	The Board unanimously elected Mr. Yancey Hai to be the Chairman and Mr. Mark Ko to be the Vice-Chairman.
2021.07.29 The 2rd in the 19th term	1. To elect the 5th Compensation Committee members	The Board unanimously approved this motion, with independent directors, Mr. Shyue-Ching Lu, Mr. Ji-Ren Lee, Mr. Jack J. T. Huang and Ms. Rose Tsou, serving as members of the Company's 5th Compensation Committee and the Compensation Committee members unanimously appointed independent director, Mr. Shyue-Ching Lu, as the convener and the Chairman of Compensation Committee meetings.
	2. To approve the amendments to the Delta Group Personal Data Protection Management Policy	The Board unanimously approved this motion.
	3. To approve the change of the Company's financial officer, accounting officer and manager	The Board unanimously approved this motion.
2021.10.01 The 3rd in the 19th term	1. Delta International Holding Limited B.V. intended to acquire Infinova (Canada) Ltd. and its subsidiaries	The Board unanimously approved this motion.
	2. To approve the disposal of equipment of battery cell assembly	The Board unanimously approved this motion.
	3. To approve the amendments to the Authorized Limited for the Acquisition or Disposal of Assets	The Board unanimously approved this motion.
2021.10.28 The 4th in the 19th term	1. To approve the appointment of managers	Based on Section 2, Article 206 of the Company Act, except for the director, Mr. Mark Ko and Mr. Ping Cheng who shall not participate in voting on the appointment of managers, the rest of directors unanimously approved this motion.
	2. To approve the recommendations on 2021 directors' compensation	Except for the directors who are the interested party and shall not participate in discussion or voting on respective directors' compensation agenda items and the Chairman Mr. Yancey Hai and an independent director Mr. Jack J. T. Huang who left temporarily, the rest of directors unanimously approved this motion according to the suggestion from the audit committees after solicited by the deputy chairperson, the Vice-Chairman Mr. Mark Ko.
	3. To approve the construction of Chungli Plant 6 in Chungli District, Taoyuan City	Except for the Chairman Mr. Yancey Hai and an independent director Mr. Jack J. T. Huang who left temporarily, the rest of directors unanimously approved this motion after solicited by the deputy chairperson, the Vice-Chairman Mr. Mark Ko.
	4. To approve the Company's 2022 internal audit plan	Except for the Chairman Mr. Yancey Hai and an independent director Mr. Jack J. T. Huang who left temporarily, the rest of directors unanimously approved this motion according to the suggestion from the independent director Mr. Shyue-Ching Lu after solicited by the deputy chairperson, the Vice-Chairman Mr. Mark Ko.
	5. To approve the release from non-competition restrictions on managers	Except for the Chairman Mr. Yancey Hai and an independent director Mr. Jack J. T. Huang who left temporarily, the rest of directors unanimously approved this motion after solicited by the deputy chairperson, the Vice-Chairman Mr. Mark Ko.

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2021.12.17 The 5th in the 19th term	1. Delta International Holding Limited B.V. intended to acquire UI Acquisition Holding Co. and its subsidiaries	The Board unanimously approved this motion.
2022.02.24 The 6th in the 19th term	1. To approve 2022 corporate business plan	The Board unanimously approved this motion.
	2. To discuss the 2021 Chairman's compensation	Based on Article 206 of the Company Act, except for the Chairman, Mr. Yancey Hai who shall not participate in voting on Chairman' compensation, the rest of directors unanimously approved this motion.
	3. To approve the distribution of 2021 employees' and directors' compensation	The Board unanimously approved this motion.
	4. To approve 2021 annual final accounting books and statements	The Board unanimously approved this motion.
	5. To approve the distribution of 2021 earnings	The Board unanimously approved this motion.
	6. To approve the short-form merger with its 99.97% owned subsidiary, Allied Material Technology Corp.	The Board unanimously approved this motion.
	7. To approve the issuance of domestic unsecured ordinary corporate bond	The Board unanimously approved this motion.
	8. To approve the assessment of the effectiveness of the 2021 internal control system	The Board unanimously approved this motion.
	9. To approve 2021 Internal Control System Statement	The Board unanimously approved this motion.
	10. To appoint the external auditors for the fiscal year of 2022 and evaluate the independence of the appointed external auditors	The Board unanimously approved this motion.
	11. To approve the amendments to the Rules Governing the Scope of Powers of Independent Directors, the Audit Committee Charter Rules and the Procedures of the Meeting of Board of Directors	The Board unanimously approved this motion.
	12. To elect a director and an independent director of the Company	The Board unanimously approved this motion.
	13. To convene the 2022 Annual General Shareholders' Meeting	The Board unanimously approved this motion.
2022.04.28 The 7th in the 19th term	1. To discuss the 2022 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 managers' KPI indicators	The Board unanimously approved this motion.
	3. To discuss the percentage of distribution as 2022 compensation employees	The Board unanimously approved this motion.
	4. To approve the amendment to the 2023~2025 Long-term Incentives	The Board unanimously approved not to discuss this motion.
	5. To approve 2022Q1 final accounting books and statements	The Board unanimously approved this motion.
	6. To approve the amendments to the Corporate Governance Best Practice Principle	The Board unanimously approved this motion.

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
2022.04.28 The 7th in the 19th term	7. To approve the amendments to the Article of Incorporation	The Board unanimously approved this motion.
	8. To approve the amendments to the Shareholders' Meeting Rules and Procedures	The Board unanimously approved this motion.
	9. To approve the amendments to Operating Procedures of Acquisition or Disposal of Assets	The Board unanimously approved this motion.
	10. To approve the amendments to Operating Procedures of Fund Lending	The Board unanimously approved this motion.
	11. To review the nominated directors (including independent directors)'s qualification	The Board unanimously approved this motion.
	12. To propose the removal of non-competition restrictions on directors in general shareholders' meeting.	The Board unanimously approved this motion.
	13. To convene the 2022 Annual General Shareholders' Meeting (additional items)	The Board unanimously approved this motion.

Major resolutions of Shareholders' Meetings		
Date of Shareholders' Meetings	Proposal	Resolutions
July 19, 2021 Annual General Shareholders' Meeting	1. Adoption of the 2020 Annual Final Accounting Books and Statements	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,340,111,847 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,085,159,566, among which 1,363,966,835 was exercised by electronic transmission, the number of voting rights for rejection is 35,957, the number of invalid votes is 0, the number of voting rights for abstention is 254,916,324, and 89.10% of the total voting rights voted for approval when votes were cast).
	2. Adoption of the 2020 Earnings Distribution	Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,340,111,847 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,083,262,488, among which 1,362,069,757 was exercised by electronic transmission, the number of voting rights for rejection is 2,791,129, the number of invalid votes is 0, the number of voting rights for abstention is 254,058,230, and 89.02% of the total voting rights voted for approval when votes were cast).

Major resolutions of Shareholders' Meetings																																			
Date of Shareholders' Meetings	Proposal	Resolutions																																	
July 19, 2021 Annual General Shareholders' Meeting	3. Election of the Company's Directors	<p>Election Result: 10 members of the Board of Directors (including 4 Independent Directors) are elected as below:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Votes Received</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>Yancey Hai</td> <td>1,859,423,465</td> </tr> <tr> <td>Director</td> <td>Bruce CH Cheng</td> <td>1,841,012,838</td> </tr> <tr> <td>Director</td> <td>Mark Ko</td> <td>1,831,853,024</td> </tr> <tr> <td>Director</td> <td>Ping Cheng</td> <td>1,826,374,192</td> </tr> <tr> <td>Director</td> <td>Simon Chang</td> <td>1,824,549,323</td> </tr> <tr> <td>Director</td> <td>Victor Cheng</td> <td>1,823,636,603</td> </tr> <tr> <td>Independent Director</td> <td>Ji-Ren Lee</td> <td>1,822,725,463</td> </tr> <tr> <td>Independent Director</td> <td>Shyue-Ching Lu</td> <td>1,822,689,468</td> </tr> <tr> <td>Independent Director</td> <td>Jack J. T. Huang</td> <td>1,822,689,334</td> </tr> <tr> <td>Independent Director</td> <td>Rose Tsou</td> <td>1,822,662,858</td> </tr> </tbody> </table>	Title	Name	Votes Received	Director	Yancey Hai	1,859,423,465	Director	Bruce CH Cheng	1,841,012,838	Director	Mark Ko	1,831,853,024	Director	Ping Cheng	1,826,374,192	Director	Simon Chang	1,824,549,323	Director	Victor Cheng	1,823,636,603	Independent Director	Ji-Ren Lee	1,822,725,463	Independent Director	Shyue-Ching Lu	1,822,689,468	Independent Director	Jack J. T. Huang	1,822,689,334	Independent Director	Rose Tsou	1,822,662,858
	Title	Name	Votes Received																																
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	4. Discussion of the Release from Non-competition Restrictions on Directors	<p>Approved and acknowledged as proposed by the Board of Directors by voting (a total of 2,340,111,847 shares with voting rights were present when votes were cast; the number of voting rights for approval is 1,900,897,857, among which 1,179,892,126 was exercised by electronic transmission, the number of voting rights for rejection is 883,560, the number of invalid votes is 0, the number of voting rights for abstention is 438,330,430, and 81.23% of the total voting rights voted for approval when votes were cast).</p>																																	

### Implementation for the Resolutions in 2021 Annual General Shareholders' Meeting:

#### 1. Adoption of the 2020 Annual Final Accounting Books and Statements

Resolution: Approved.

#### 2. Adoption of the 2020 Earnings Distribution

Resolution: Approved. The cash dividends for the 2020 earnings distribution is NT\$14,286,488,310 that have been 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 shall be distributed. The Board of Director authorized the Chairman to set the book closure ending date on July 26, 2021 and the cash dividend distribution date on August 12, 2021.

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

Resolution: Approved the release from Non-competition Restrictions on following Directors to hold important positions in other companies by a resolution of the Annual General Shareholders' Meeting.

Name of Directors	Positions in Other Companies (Note)	Positions
Yancey Hai	CTCI Corporation	Director
	USI CORPORATION	Independent Director
	Taiwan Semiconductor Manufacturing Co., Ltd.	Independent Director and Compensation Committee Member
Mark Ko	Delta Greentech (China) Co., Ltd.	Director
	Delta Electronics (Thailand) Public Company Limited	Director
Bruce CH Cheng	Finestar International Limited	Director
	Hua-Chih Investment Co., Ltd. (translation)	Chairman
Ping Cheng	Delta Greentech (China) Co., Ltd.	Chairman
	Delta Energy Technology (Shanghai) Co., Ltd.	Chairman
	Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Executive Director
	Delta Electronics (Thailand) Public Company Limited	Director
Simon Chang	BETACERA INC.	Director
	Delta Greentech (China) Co., Ltd.	Vice-Chairman
	VIVOTEK INC.	Director
Victor Cheng	Lanner Electronics Inc.	Director
	Delta Networks (Xiamen) Ltd.	Vice-Chairman
Ji-Ren Lee	ACER Incorporated	Independent Director and Compensation Committee Member
	VIVOTEK INC.	Independent Director and Compensation Committee Member
	MediaTek Inc.	Compensation Committee Member
	Longchen Paper & Packaging Co., Ltd.	Director
	B Current Impact Investment Fund 3	Chairman
	Wesync Startup Service and Consulting Corporation Limited	Chairman
	AXR Entrepreneurship and Business Consulting Co., Ltd.	Chairman
	CommonWealth Education Media and Publishing Co., Ltd.	Director
	Social Enterprise Insights	Director

Name of Directors	Positions in Other Companies (Note)	Positions
Shyue-Ching Lu	Sercomm Corp.	Director
	Radium Life Tech Co., Ltd.	Independent Director
	MITAC Holdings Corporation	Independent Director
	CTCI Advanced Systems Inc.	Director
	XRSPACE CO., LTD.	Director
Jack J. T. Huang	Wpg Holdings Limited	Independent Director
	Systemex Corporation	Independent Director
	CTCI Corporation	Independent Director
	Yulon Motor Co., Ltd.	Director
	Taiwania Capital Buffalo Fund Co., Ltd.	Director
	Taiwania Capital Biotechnology Corporation	Director
	Taiwan Mobile Co., Ltd.	Advisor
	Yulon Group	Special Advisor to the CEO
	Catcher Technology Co., Ltd. Group	Special Advisor to the Chairman
Rose Tsou	FNCapital Co., Ltd.	Chairman
	Verizon Media	Strategy Advisor
	HK Television Entertainment Company Limited	Director
	Sercomm Corp.	Independent Director and Compensation Committee Member

Note : Excluding subsidiaries that are 100% owned by the Company.

**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, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance Officer and Chief Research and Development Officer:**

April 28, 2022

Resignations or Dismissal of Parties				
Title	Name	Date of Appointment	Date of Dismissal (Resignation)	Reasons for Resignation or Dismissal
Corp. CFO	Judy Wang	August 1, 2013	July 31, 2021 (Resignation)	Personal career planning (Resignation)

Note 1: Parties concerned including the Chairman, the General Manager, the Chief Accounting Officer, the Chief Financial Officer, the Chief Internal Auditor, the Corporate Governance Officer and the Chief Research and Development Office, etc.

Note 2: The Board of Directors approved the appointment of Mr. Beau Yu as the Corp. CFO (Chief Accounting Officer, Chief Financial Officer) on July 28, 2021 and being effective from August 1, 2021.

▶ **3.5 Information on CPA professional fees**

**3.5.1. Audit fees and 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 and details of non-audit services**

Unit: Thousand New Taiwanese Dollars

Name of CPA firm	Name of CPA		Audit periods	Audit fees	Non-audit fees	Total	Remarks
Pricewaterhouse Coopers	Lin, Yu-Kuan	Chou, Chien-Hung	2021.01.01~ 2021.12.31	21,115 (Note)	5,704	26,819	Other non-audit fees include consultations on taxes and compliance audit, ESG report consultations, report on transfer pricing, master file and country-by- country report services, etc.

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

**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	2021		Current year up to April 16, 2022	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (decrease) (Note 1)	Pledged holding increase (decrease)
Chairman/ Former Chairman in Strategic Steering Committee (Note 2)	Yancey Hai	0	0	0	0
Vice-Chairman/ Chairman in Strategic Steering Committee (Note 3)	Mark Ko	0	0	0	0
Director/ Honorary Chairman	Bruce CH Cheng	0	0	0	0
Director/ CEO and Vice-Chairman in Strategic Steering Committee	Ping Cheng	0	0	0	0
Director/President, COO and Branch Manager	Simon Chang	0	0	0	0
Director	Victor Cheng	0	0	0	0
Independent Director	Ji-Ren Lee	0	0	0	0
Independent Director (Note 4)	Shyue-Ching Lu	0	0	0	0
Independent Director (Note 4)	Jack J. T. Huang	0	0	0	0
Independent Director (Note 4)	Rose Tsou	0	0	0	0
Corporate CFO (Note 6)	Beau Yu	0	0	0	0
Corporate Governance Officer	Shalin Chen	0	0	0	0
Shareholder holding more than ten percent of the total shares	DEICO INTERNATIONAL LTD.	0	0	0	0
Former Director (Note 5)	Albert Chang (removal date : 2021.07.19)	(4,000)	0	-	-
Former Independent Director (Note 5)	George Chao (removal date : 2021.07.19)	0	0	-	-
Former Independent Director (Note 5)	Yung-Chin Chen (removal date : 2021.07.19)	0	0	-	-
Former Independent Director (Note 5)	Tsong-Pyng Perng (removal date : 2021.07.19)	0	0	-	-
Former Corporate CFO (Note 6)	Judy Wang (resignation date : 2021.08.01)	(5,000)	0	-	-

Note 1 : No. of shares held increase (decrease) as of the book closure date for the 2022 AGM.

Note 2 : Mr. Yancey Hai retired on July 30, 2021 and relieved from the Chairman of Strategic Steering Committee. This vacancy was replaced by Mr. Mark Ko, the Vice-Chairman of Strategic Steering Committee.



Note 3 : The Chairman of Strategic Steering Committee has been taken over by Mr. Mark Ko and the Vice-Chairman of Strategic Steering Committee has been taken over by Mr. Ping Cheng, effective from October 28, 2021.

Note 4 : Election on July 19, 2021 AGM due to the term expired for directors. The information of changes in shareholding in 2021 is disclosed from July 19, 2021.

Note 5 : Election on July 19, 2021 AGM due to the term expired for directors. The information of changes in shareholding in 2021 is disclosed until July 19, 2021.

Note 6 : Ms. Judy Wang resigned due to personal career planning, effective from August 1, 2021. The corporate CFO has been taken over by Mr. Beau Yu. The number of shares Ms. Judy Wang held was disclosed until the date of her resignation and the information of changes in shareholding held by Mr. Beau Yu was disclosed from August 1, 2021.

**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 16, 2022

Name (Note 1)	Shareholding		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.	267,556,280	10.30%	0	0	0	0	None	None	None
Representative: Jiao Fan	0	0	0	0	0	0	None	None	None
DELTRON HOLDING LTD.	218,211,168	8.40%	0	0	0	0	None	None	None
Representative: Syue-Huei Ye	0	0	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
New Labor Retirement Pension Fund	78,944,938	3.04%	0	0	0	0	None	None	None
Government of Singapore	69,063,155	2.66%	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
Labor Insurance Fund	35,194,358	1.35%	0	0	0	0	None	None	None
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	30,344,356	1.17%	0	0	0	0	None	None	None
Labor Retirement Reserve Fund (The Old Fund)	29,507,284	1.14%	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, 2021; Unit: shares & %

Affiliated Company (Note 1)	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 Ltd.	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 Ltd. B.V.	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%
VIVOTEK Inc.	47,692,058	55.09%	0	0.00%	47,692,058	55.09%
Chunghwa SEA Holdings	880,000	44.00%	0	0.00%	880,000	44.00%

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

## 4. ESG








Delta places the utmost emphasis on corporate sustainability, making sure its ESG 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 the ESG committee, with Mr. Bruce Cheng, founder and honorary chairman of Delta, serving as the honorary chairman of the Committee, and Chairman Yancey Hai acting as its chairman. The ESG Committee is composed of board members including the vice chairman, CEO, COO, CSO (Chief Sustainability Officer), 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 is committed to "voluntary emission 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 2021, carbon intensity was reduced by over 56.6%, fulfilling Delta's target for four consecutive years to achieve 2025 target in advance. In 2021, the percentage of global renewable energy use exceeded 55%. 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 devoted itself 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. Having formally joined the RE100 initiative in 2021, Delta is actively committed to achieving 100% renewable electricity usage and carbon neutrality for operations around the globe by 2030. Delta has also responded to "Race to Zero" initiative to set a net-zero target in line with a 1.5°C future.

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 described in the following table:

For Delta's pursuit of balanced interests for stakeholders, devotion to environment and energy conservation, and expansion of social participation, please refer to the sections that follow; 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
	In support of high-quality education for all, talent development and knowledge improvement, 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.
	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.
	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.
	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.
	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.
	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 "voluntary emission 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
	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.

## ► 4.1 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. All the members of Delta Group are familiar with the Delta Group Human Rights and Employment Policy and the Delta Group Employee Code of Conduct as each new employee and current employee are required to undergo orientation and annual training in various areas such as integrity and ethical management, human rights standards, and code of conduct. In 2021, a total of 79,943 people in Delta Group globally participated in online training courses related to the topics mentioned above with a training completion rate of 96.1%.

#### 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 3.4% increase in global recruitment acceptance rate compared to the previous reporting year.

###### **(3) Competitive remuneration and 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. With a view to retaining high-performing employees and recruiting outstanding talents, Delta adjusted its salary structure for employees of the rank of executive (specialist) and above in 2021.

###### **(4) Building a happy workplace and promoting comprehensive healthcare**

To ensure the health and well-being of our employees, we promote 4S core values (Say, Stay, Strive, Social) 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 enhance its brand image as an employer with a focus on sustainable development by launching its new core themes for global recruitment - “Keep Exploring. Sustainably Developing Your Future at Delta” and “R&D Yourself at Delta”, to promote its global employer branding campaign. Delta aims to set up three Industrial Master’s programs and provide R&D scholarships and pre-employment opportunities for outstanding students. At the same time, Delta will continue to establish joint R&D centers in key areas, such as AI, electric vehicles, energy storage, and information communications and technology, with top universities in Taiwan. In 2021, Delta conducted 31 research projects involving more than 30 professors and 140 Master’s and PhD students.

#### 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 Leadership Development Committee (LDC) for talent planning and review from the perspective of business strategy and business development, and to enhance our preparation for recruiting key talents. 10 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", "Professionalism" and "Sales & Marketing". 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](#)

Continuously advancing new business development is the key to ensuring Delta's uninterrupted growth momentum over the next 50 years. In mid-2021, the Company launched the three-year "Pioneer Leadership Training Program for New Business Groups" in the hope of getting more outstanding colleagues with innovative minds to join its new business teams. Delta will make ongoing efforts to launch digital learning solutions with the use of multiple learning channels and knowledge sharing platforms, aimed at promoting the rapid development of digital courses in various areas and facilitating a significant increase in the number of such courses.

#### 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 11th consecutive year, and was honored with the "leadership level" in both the "Climate Change" and "Water Security" categories and an A-list rating in "Supplier Engagement Leader" by CDP. 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 climate change actions.
- Supplier sustainability interactions and cooperation in ESG issues

##### [Future Plans](#)

- Establish the ESG audit management mechanism by referencing the RBA standards 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 2021, innovation and R&D expenses accounted for 8.6% 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.
- Open innovation and exchanges on the latest technologies.
- Application for intellectual property rights.

### [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 the 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 the 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](#)

- Establish and accomplish SBTs in line with the 1.5°C global warming target limit.
- Identify climate change risks, develop climate risk adaptation capabilities, 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 its 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 20% by 2025. 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 its social responsibility and respond to global environmental issues, Delta not only achieved a 30% reduction in water intensity in 2020 but is also committed to a further 10% reduction by 2025 (using 2020 as the base year), as well as targeting a 100% waste diversion rate in its production plants by 2025, in the hope of overcoming challenges posed by environmental sustainability issues with concrete actions from both Delta and other companies worldwide.

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

- Continue to refine assessment methods and reduce water risk.

- Set water and waste reduction goals and establish a sound 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 water management system.
- Continue to promote supply chain management, proper waste disposal, and resource utilization enhancement.

### ► 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 Delta Foundation for coordination and planning. Delta 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

Following the devastation caused by Typhoon Morakot in 2009, Delta assisted in the reconstruction of the Namasia Mincyuan Elementary School campus using a host of energy-efficient designs that were in harmony with local climate conditions, together with an energy management system and energy storage equipment to integrate, store, and manage energy. In 2021, this campus was successfully awarded the LEED Zero Energy certification by the U.S. Green Building Council (USGBC), thereby becoming the first sustainable green campus in Asia to obtain this prestigious certification.

#### 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. Two volunteer projects, namely the low-carbon energy project and the coral restoration project, were developed by the Delta Foundation in 2021. In the first project, an air quality monitoring map for schools in Taiwan was built at Minghu Elementary School in Neihu District, Taipei City to investigate the correlation between air quality and mode of transportation during peak hours around the school for four weeks. Students were also allowed to participate in the installation of monitoring equipment and data analysis in the course of this project, whose aim was to encourage the use of low-carbon transportation and promote zero idling in pick-up and drop-off areas around schools. As for the coral restoration project, volunteers have joined hands with Taiwan's professional ocean conservation groups to carry out coral restoration along Taiwan's Northeast Coast. This project is expected to restore over 1,000 coral seedlings and train approximately 300 corporate diving volunteers in the next three years.

In addition, the Delta Foundation continues 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", where nearly 5.47 million people have visited the blog while social media posts related to these news have reached about 12.16 million people.

#### 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 2021, the number of participants in the platform's online courses exceeded 14 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 - Senior High School - DeltaMOOCx's firm foothold in STEM courses for senior high schools and vocational schools", which shares its experience in establishing the platform and programs. The Delta Foundation hopes to promote online education in Taiwan and encourage outstanding teachers to join online teaching. Additionally, with a view to encouraging young leaders and academics to pursue further studies and to apply their professional knowledge and skills to environmental and climate issues, the Delta Foundation has long provided environmental scholarships, which have nurtured hundreds of Master's and PhD students as well as other academics.

## ► 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"> <li>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.</li> <li>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 low-carbon sustainability of investments, 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.</li> </ul>
Management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> <li>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.</li> <li>The Corporate Sustainability Development Department 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 updated on climate-related issues. 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.</li> <li>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.</li> <li>Each 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. In strategic development meetings held on an annual basis, business and functional groups report important trends and set strategic directions for business groups and targets for Delta. The meetings above are led by the management team with Board members participating.</li> <li>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.</li> <li>Delta introduces an internal carbon pricing and carbon fee system to encourage, track, and promote investments in and the development of innovative technologies for renewable energy, energy conservation, and carbon reduction.</li> </ul>

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"> <li>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.</li> <li>Carbon taxes and related taxes, uncertainty surrounding regulation and policies, increased cost of raw materials, voluntary agreements, renewable energy regulation.</li> <li>Medium-term risk: 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.</li> <li>Long-term risk: Substitution of existing products and services with lower emissions options, rising sea levels, emission reduction requirements to suppliers.</li> <li>Short-, medium-, and long-term opportunities: <ol style="list-style-type: none"> <li>Short-term: Adoption of more efficient production and distribution processes, introduction of the UL2799 Zero to Landfill policy, deployment of renewable power, provision of climate-related regulation and policy advice, use of new technologies, response to changes in consumer preferences, and new market partnerships.</li> <li>Medium-term: Provision of climate-related regulation and policy advice, participation in the carbon trading market, shift to decentralized energy generation, development or expansion of low-carbon products and services, development of climate adaptation and insurance solutions, and diversification of businesses.</li> <li>Long-term: Adoption of building automation technologies to enhance the energy efficiency of buildings and their ability to adapt to climate change, reduction in the use of water resources, R&amp;D and innovation of new products and services, and resource substitution and diversification.</li> </ol> </li> </ul>
Climate-related risks and opportunities having significant impact on the organization's businesses, strategy, and financial planning	<ul style="list-style-type: none"> <li>Delta's identified climate risks and opportunities range from products and services, supply chains, adaptation and mitigation activities, R&amp;D, investment, operations to other relevant aspects, and the probability of occurrence and degree of impact for each assessed risk and opportunity.</li> <li>In 2018, Delta introduced a monetization and scenario analysis 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.</li> </ul>
Potential impacts from different climate-related scenarios on the organization's business, strategy and financial planning	<ul style="list-style-type: none"> <li>In 2017, Delta adopted and implemented SBTs based on the International Energy Agency (IEA)'s Energy Technology Perspective (ETP) 2°C Scenario (2DS) used in the Sectoral Decarbonization Approach (SDA). Through various means such as energy conservation, utilization of self-generated solar energy, and purchase of green power or renewable energy certificates, Delta has surpassed its original target of a 56.6% reduction in carbon intensity by 2025 in 2021.</li> <li>Delta uses different climate scenarios, i.e., nationally determined conditions (NDC) and Beyond 2°C, to simulate business opportunities for energy storage-related products. The results show that by 2025, Delta's internal strategies for energy storage solutions are consistent with those under the NDC scenario.</li> </ul>

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"> <li>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.</li> <li>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.</li> <li>Delta also uses a global database to identify in detail the types of physical risks that important locations may face and the potential impacts arising therefrom.</li> </ul>

### 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"> <li>• 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..</li> <li>1. Mitigation: To actively promote the construction of renewable energy, energy conservation, green buildings, and increase energy efficiency to reduce Delta's dependence on energy.</li> <li>2. 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.</li> </ul>
How to integrate the processes of climate-related risk identification, assessment, and management into the overall risk management	<ul style="list-style-type: none"> <li>• Climate change is one of the official issues of 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.</li> </ul>

### 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"> <li>• 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&amp;D/office buildings, Power Usage Effectiveness (PUE) of data centers, the overall EI (factories, R&amp;D/office buildings, and data centers), waste intensity, and water productivity intensity.</li> <li>• 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.</li> <li>• Having joined the RE100 in 2021, Delta is committed to achieving 100% renewable electricity usage and carbon neutrality for factories around the globe by 2030. At the same time, Delta continues to establish a solid foothold in sustainable value chains, provide customers with highly efficient energy-saving products through innovation and R&amp;D to help reduce carbon emissions, and promote the implementation of sustainable management in supply chains, in an effort to align itself with the international trend of net zero carbon emissions and create business opportunities arising from climate change together.</li> </ul>
Disclose Scope 1, Scope 2, and Scope 3 GHG emissions, and related risks.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

# 5. Capital and Shares

## ► 5.1 Capital and shares

### 5.1.1 Source of capital

April 28, 2022/ 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	1987.10.19(76) Tai-Tsai-Tzeng (1) No.01044
1988.07	10	78,500,000	785,000,000	78,500,000	785,000,000	capitalization of retained earnings	265,000,000	1988.07.14(77) Tai-Tsai-Tzeng (1) No.08647
1988.11	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	capital increase by cash	215,000,000	1988.10.27(77) Tai-Tsai-Tzeng (1) No.09250
1989.09	10	125,000,000	1,250,000,000	125,000,000	1,250,000,000	capitalization of retained earnings	250,000,000	1989.07.31(78) Tai-Tsai-Tzeng (1) No.01541
1990.09	10	179,000,000	1,790,000,000	138,600,000	1,386,000,000	capitalization of retained earnings	136,000,000	1990.07.28(79) Tai-Tsai-Tzeng (1) No.01755
1991.12	10	179,000,000	1,790,000,000	152,460,000	1,524,600,000	capitalization of retained earnings	138,600,000	1991.10.02(80) Tai-Tsai-Tzeng (1) No.02842



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital		Date of Approval and Document Number
1992.08	10	229,000,000	2,290,000,000	167,706,000	1,677,060,000	capitalization of retained earnings	152,460,000	1992.07.14(81) Tai-Tsai-Tzeng (1) No.01583
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	1993.01.08(82) Tai-Tsai-Tzeng (1) No.84152
1993.08	10	268,000,000	2,680,000,000	191,800,000	1,918,000,000	capitalization of retained earnings	211,792,140	1993.07.13(82) Tai-Tsai-Tzeng (1) No.29964
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	1994.01.10(83) Tai-Tsai-Tzeng (1) No.50111
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	784,772,960	1997.06.25(86) Tai-Tsai-Tzeng (1) No.50062
						exercise of warrants for common stocks	57,024,900	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	1,005,428,750	1998.06.12(87) Tai-Tsai-Tzeng (1) No.51669
						exercise of warrants for common stocks	26,857,710	-
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	1,233,915,420	1999.06.11(88) Tai-Tsai-Tzeng (1) No.54830
						exercise of warrants for common stocks	492,341,440	-



Year. month	Par Value	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number	
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	2,045,754,480	2000.06.05(89) Tai-Tsai-Tzeng (1) No.48759
						exercise of warrants for common stocks	14,463,840	-
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
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	586,826,570	2005.07.12 Ching Shou Shang Tzu No.09401128700
						capitalization of retained earnings	1,124,468,770	-
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

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number
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
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

Year. month	Par Value	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Date of Approval and Document Number	
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, 2022

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, 2022, 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 16, 2022

Shareholder Structure / Quantity	Governmental Organizations	Financial Institutions	Other Institutional Investors	Domestic Individuals	Foreign Institutions and Individuals	Total
Number of Shareholders	0	53	618	108,688	1,744	111,103
No. of Shares Held	0	153,274,005	273,461,923	444,878,873	1,725,928,528	2,597,543,329
Shareholding	0.00%	5.90%	10.53%	17.13%	66.44%	100.00%

Note: Shares as of April 16, 2022, the book closure date for the 2022 AGM.

### 5.1.3 Diffusion of ownership

April 16, 2022

Shareholder	Ownership	Number of shareholders	Number of Shares Held
1 to 999	51,753	10,219,093	0.39%
1,000 to 5,000	50,693	90,757,810	3.49%
5,001 to 10,000	4,171	31,333,473	1.21%
10,001 to 15,000	1,282	15,967,921	0.61%
15,001 to 20,000	595	10,793,133	0.42%
20,001 to 30,000	591	14,717,178	0.57%
30,001 to 40,000	300	10,471,601	0.40%
40,001 to 50,000	195	8,938,982	0.34%
50,001 to 100,000	424	30,467,481	1.17%
100,001 to 200,000	308	43,550,715	1.68%
200,001 to 400,000	260	73,780,353	2.84%
400,001 to 600,000	118	59,242,379	2.28%
600,001 to 800,000	71	50,665,843	1.95%
800,001 to 1,000,000	52	46,703,620	1.80%
1,000,001 and more	290	2,099,933,747	80.85%
Total	111,103	2,597,543,329	100.00%

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

#### 5.1.4 List of major shareholders (Name, number of shares held and shareholding percentage of Top-10 Shareholders)

April 16, 2022

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%
New Labor Retirement Pension Fund		78,944,938	3.04%
Government of Singapore		69,063,155	2.66%
Ping Cheng		55,640,093	2.14%
An Cheng (Also known as Victor Cheng)		50,344,764	1.94%
Labor Insurance Fund		35,194,358	1.35%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds		30,344,356	1.17%
Labor Retirement Reserve Fund ( The Old Fund )		29,507,284	1.14%

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		2020	2021	Current Year up to April 28, 2022(Note 8)
Market price per share (Note 1) (Note 11)	Highest		265.00	335.00	302.00
	Lowest		108.50	234.50	234.00
	Average		174.97	282.70	262.24
Net worth per share (Note 2)	Before distribution		56.17	59.59	64.14
	After distribution		50.67	(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)		9.81	10.32	2.33
Dividend per share (Note 11)	Cash dividends		5.5	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)		-	-	
	Price-earnings ratio (Note 5)		17.65	27.11	
	Price-dividend ratio (Note 6 and Note 10)		31.49	50.86	
Return Analysis	Cash dividend yield (Note 7 and Note 10)		3.18%	1.97%	

❖ The average closing price for the year of 2020 is NT\$173.19, and the average closing price for the year of 2021 is NT\$279.73.

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 adjust 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 2021 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, 2022. However, as of April 28, 2022, 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		2020	2021
Market price per share	Market price per share before adjustment		174.97	282.70
	Market price per share after retrospective adjustment (Note2)		174.97	282.70

## Cash dividends

Unit: NT\$

Item	Year	2020	2021
Cash dividends		5.5	5.5 (Note 1)
Cash dividends after retrospective adjustments (Note 2)		5.5	(Note 3)

Note 1: This has been approved by the Board of Directors' meeting on February 24, 2022. However, as of April 28, 2022, 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 2020 and the payout ratio is 0%, therefore there is no calculation based on retrospective adjustment.

Note 3: The dividend payout proposal for 2021 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 2021 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 and the Company does not need to disclose financial forecast for year 2022 according to regulations, 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, 2022 that the earnings in 2021 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\$2,545,648,687

Proposed Directors' compensation: NT\$44,600,000

The discrepancy for the Directors' compensation between the amount that the Boards of Directors approved and the estimated figure for the fiscal year these expenses are recognized as NT\$400,000. Because Directors' compensation is calculated upon the actual results of KPI criteria, the discrepancy will be adjusted to the year 2022 profit and loss.

- (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 February 24, 2021, for the annual earnings of 2020, NT\$2,421,096,904 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.

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

► 5.2 Status of issuance of corporate bonds:

Unit: NT\$1,000

Type of corporate bonds		Domestic Unsecured Bond (111-1)	
		Tranche A	Tranche B
Issuance Date		2022/04/07	2022/04/07
Denomination		1,000	
Offering Price		At Par	
Total Amount		5,900,000	700,000
Coupon		0.85%	0.90%
Tenure & Maturity Date		5 years Maturity : 2027/04/07	7 years Maturity : 2029/04/07
Guarantor		None	
Trustee		CTBC Bank Co., Ltd.	
Underwriter		CTBC Bank Co., Ltd.	
Legal Counsel		True Honesty International Law Offices	
Auditor		PricewaterhouseCoopers, Taiwan	
Repayment		Bullet Repayment	
Outstanding		5,900,000	700,000
Redemption or Early Repayment Clause		None	
Covenants		None	
Credit Rating Agency, Rating Date and Rating Result		N/A	
Other Rights of Bondholders	Amount of converted or exchanged common shares, GDRs or other securities as of the publication of the Annual Report	N/A	
	Conversion Right	None	
Dilution Effect and Other Adverse Effects on Existing Shareholders		None	
Custodian		None	

► 5.3 Status of preferred shares: None.



## ► 5.4 Status of issuance of global depository receipts

Date of issuance (handling)		March 29, 2005	
Items			
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)		787,429.4 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)	2021	Highest	US\$57.50
		Lowest	US\$42.00
		Average	US\$50.02
	Current year to April 15, 2022	Highest	US\$54.00
		Lowest	US\$41.60
		Average	US\$46.85

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 2022, investors had redeemed a total of 38,060,680.0 units and requested for reissuance of 21,906,259.0 units; therefore there are 787,429.4 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

**5.8.1 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.

**5.8.2** 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 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, smart energy solutions, 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, display solutions and Vivitek, DP display solutions, etc. In 2021, the proportion of Delta's three major business areas is divided as follows: Power Electronics (59%), Automation (15%), and Infrastructure (26%).

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 eleven consecutive years.

### **New products (services) planned for development**

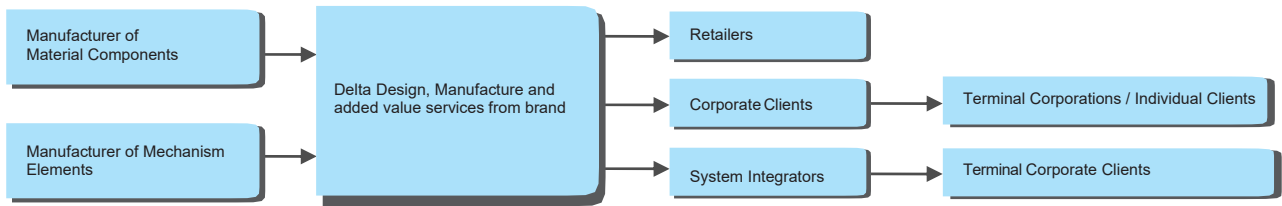
In recent years, Delta has been actively promoting comprehensive corporate transformation, from information technology and consumer electronics to industrial products, from OEM to own brand and from components and parts to system solutions. Delta allocates around 6-9% of our revenue for research and 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 2021, global economy recovered ceaselessly that the economic growth rates of the first three quarters in US, Europe and Taiwan all made breakthrough in the past 10 years. However, issues like pandemic change and economy recovery such as imbalanced supply chain, labor shortage and higher inflation pressure across nations drive the world toward new normalization gradually.

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.

**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 continues to lead advanced technology, and has developed a variety 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 widely used in various applications including 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 , medical, industrial , power backup equipment and more fields.

For the 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 equipment, 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 system and 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.

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, 48V 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, rare earth-free traction motor and 800V high power traction motor.

### **Automation:**

For Building Automation Solution, it covers four major areas: BMS/iBEMS energy management system solutions, indoor air quality solutions (IAQ), surveillance automation solutions and lighting solutions. BMS/iBEMS energy management system solutions include Edge Computing Sensor and iBMS system-smart building integration solutions. Edge Computing Sensor: The O3 Edge is a multi-sensor to detect the temperature, humidity, Light Level, acoustic level, and presence. Delta's iBMS system platform also integrates BIM (Building Information Modeling) to achieve the effect of seeing and knowing through 3D visualization. Through 3D visualization, it can achieve the effect of seeing and knowing, and realize the function of interlocking different devices. Monitoring needs in daily work, practical applications. In terms of indoor air quality solutions, Delta continues to cooperate with a number of well-known equipment vendors in the equipment technology, continues to expand the air quality solution ecosystem, and provides engineers and technical partners in various regions with a set of on-site sensor calibration tools, continued the UNOCentral air quality monitoring platform and hybrid cloud architecture, further developed the cloud data analysis platform to collect big data, combined with the accumulation of practical experience and knowledge in the medical and long-term silver hair field in recent years, and developed data exploration technology. Face Access Management System is developed to provide an easy way to identify employees through their faces, and automatic alerts make corporate personnel management process easier. MFA (Multifactor authentication) provides double authentication function to provide more security in important places. It integrates Delta's self-developed license plate recognition core with RFID wireless sensor eTag technology to improve the detection accuracy and response speed, and to load the vehicle entry and exit records in detail to realize real-time alerts and fast tracking of unknown vehicles to prevent illegal intent. Develop and complete the smart solution for day care center, integrate the care case system, automate case identification check-in and check-out, and improve management efficiency. Intelligent body temperature detection access control, through professional thermal imaging detection technology, safe and contactless. Combined with air quality detection equipment, it automatically detects regional harmful factors and temperature and humidity, and intelligently connects with fresh air system to improve air quality and provide a clean and humane usage environment. The image-free micro wave fall detection radar can automatically notify caregivers at the first time, and the visualized e-map helps caregivers reach the scene quickly and provides a safe space for use. Lighting solution comprises two major fields including LED fishing light and Delta U+ UVC disinfection Care222® series products.

In the field of Industrial Automation, we have completed the development of the following products: Hi-end Small PLC series; EtherCAT motion controller with 4/8/16 axis; Economic Smart Power Meter; LTC 4015 integrated drive for telescopic conveyor in logistics; EL-W economic compact vector control drive 5.5 kW model; VJ-A new generation economic drive for mold injection machine; MPD motor mounted pump drive (0.75~7.5 kW); ASM-B3/E3 200V 100W~3kW Servo Motor (Frame 40/60/80/130/180); ASM-E3M 200V Economic Type Servo Motor 100W~750W (Frame 40/60/80); ASM-B3 200V Servo Motor 4.5kW~15kW (Frame 180/220); ASM-B3 400V Servo Motor 100W~15kW (Frame 40/60/80/130/180/220); ASD-B3 400V Servo Drive 400W~15kW; 4-Axis SCARA robot, Reach 800 mm, Max. payload 22kg; 6-Axis Vertical articulated robot, Reach 1100/1400mm, Max. payload 12kg;

DOP-107HE46ZC CNC & Robot Handheld & Training HMI; All-Electric Injection Molding Solution (DMCNET Base); GigE vision industrial standard camera; New generation of laser displacement sensors; Compact panel temperature controller; 3D machine vision measurement system; 3D TOF Sensors; Servo press B Series; Special-shaped parts auto-insertion equipment; Dual axis CMC winding equipment; RTM (Rapid Transformable Machine) – SMST Auto. Inserting Machine; RTM (Rapid Transformable Machine) – GLST Auto. Dispensing & Gluing Machine; Real-time Tension-Control Inside Drive; Compiled PLC Runtime on Linux (Corner)

#### **Infrastructure:**

In the field of ICT Infrastructure, we have developed High power density 3kW PV charger; IP65 natural cooling 3kW with parallel function power charger; IP65 natural cooling 2kW with parallel function power charger; AC input high efficiency 2.9kW charger; DC input high efficiency 2.9kW charger; AC input high efficiency 3kW charger; High power density 800-1200kVA standalone UPS; Medium power 20-40kVA built-in battery standalone UPS; Medium power 480V 300-500kVA modular UPS; Small power 100V 1-3kVA rack mounted UPS; High reliability 200A STS; Intelligent 650/950kVA power distribution system; High density 48A rack mounted intelligent PDU; Large data center FanWall L series 90kW Precision Cooling; CoolDoor 30/50kW precision cooling; RowCool DXA 30KW (UL) precision cooling; WiFi 6e Tri-band Home Router; 1G Enterprise 90W PoE switch; 25G/100G/400G Disaggregated Cell Site Gateway (DCSG); 400G Virtual Chassis; 200G Datacenter Leaf Switch.

In terms of Electronics Vehicle Solutions, the trend of solar inverter is toward higher efficiency, lighter weight, cost reduction and strengthen monitoring capability. Meanwhile, DC voltage been raised up from 1,000V to 1,500V for large utility projects to reduce power loss as well as cable cost. Moreover, the central inverters have been taken the place of high-power string inverter and coming more and more solar Hybrid/ Storage application been considered in Commercial & Residential segment. We have developed and launched AC chargers, DC Power modules, DC charger systems, and Bi-directional charger systems compliant to international charging standards and safety requirements, and compatible with various types of electric vehicles.

Regarding to Display Solutions, we have three major product lines: commercial projector, large venue projector and lens module: In commercial projector product line, a 5,000lm 1-chip DLP 4K projector has been developed and commercialized. In large venue projector product line, we put on the market a 27,000lm 1-chip DLP WUXGA projector, as well as developed a separate light source (Satellite) series models that support brightness from 10,000lm to 40,000lm with solid state light sources. Combine it with 3-Chip DLP engines, the product line has solutions WUXGA and 4K-UHD that provides an excellent flexibility to end customer for different application. In large venue projector product line, we put on the market a 27,000lm 1-chip DLP WUXGA projector, as well as developed a separate light source (Satellite) series models that support brightness from 10,000lm to 40,000lm with solid state light sources. Combine it with 3-Chip DLP engines, the product line has solutions WUXGA and 4K-UHD that provides an excellent flexibility to end customer for different application.

#### **Research and development expenses during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:**

Research and development expenses in 2021: NT\$27,202,489 thousands

Research and development expenses until the latest quarter of the annual report for 2022: NT\$6,865,896 thousands

#### **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. 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

As a world-class power and component leading manufacturer, Delta keeps supplying high performance and energy efficient products with the most advanced electric and power technology to our major customers across fields including but not limited to cloud computation, information & communication equipment, industry, medical, lighting, tooling machine and electronic vehicles. With excellence in product performance and energy efficiency, Delta was approved by The U.S. Environmental Protection Agency (EPA) once again in 2021, which not only was selected as "ENERGY STAR® Partner of the Year" for 6 consecutive years, but also won the "Sustained Excellence Award" for 4 consecutive years, indicating Delta's outstanding contribution to our customers' realizing environmental sustainability. With increasingly concern about corporate carbon dioxide emission internationally, Delta's leading high-efficient product will definitely support her long-term business development in the years to come.

#### 6.2.1.2. Automation

For the purposes of improving the smart architecture development, in 2021, Delta acquired the equity of March Networks in Canada and its subsidiaries across nations which specialized in video surveillance and smart business solution. With March Networks and its strong features of Video Surveillance as a Service (VSaaS) and business intelligent analysis, it will further expand Delta's multi-purpose applications of intelligent architecture and smart cities, making Delta's distribution of Internet-of-Things (IoT) Intelligent Solution more perfect; in addition, Delta's specialized industrial automation for more than 20 years generated fruitful experiences across global markets and industries, even though in 2021, dynamic change of global COVID-19, rising prices of raw materials, imbalanced supply chain and power limitation and other regional policies had some effects on the market, the business of automatic department remains to be one of the critical power sources in the Company's future growth due to rigid demand on the upgrade of industrial structure and intelligent manufacture.

#### 6.2.1.3. Infrastructure

On the aspect of Infrastructure, in addition to the technologies in communication power, data center solution, electronic vehicle charging facility ahead of peers, Delta also develops low-carbon traffic and energy transformation, one of the most important international policy targets in 10 years to come due to the pressure of carbon reduction from climate change. With integrated recycled energy, power storage system and energy management platform, Delta builds a more flexible and resilient power system with customers together, expecting the infrastructure facility market to develop stably ceaselessly.



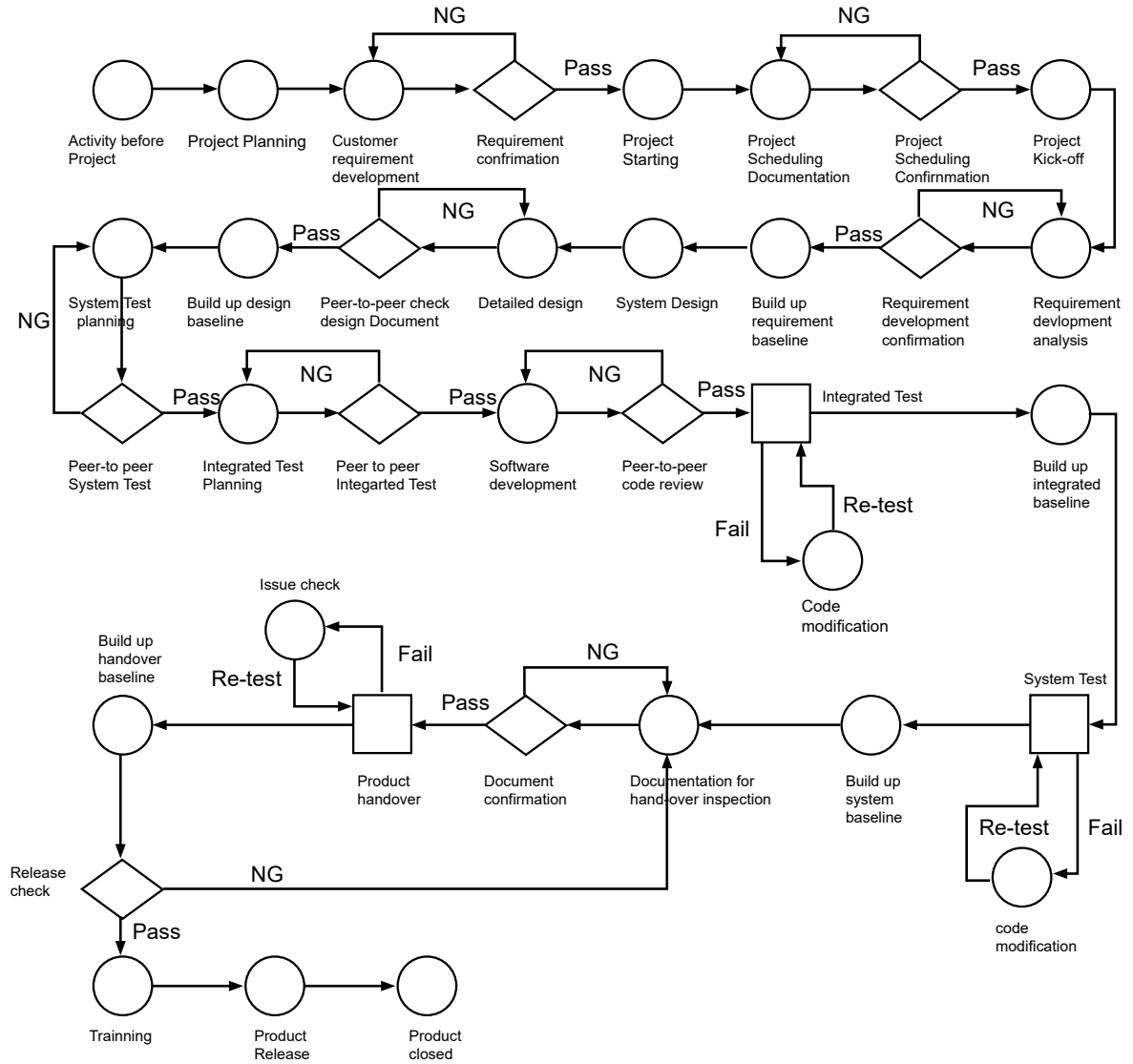
## 6.2.2. Usage of the Company's main products

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"> <li>1. It can be used in all kinds of inductors for AC power supply.</li> <li>2. It can be used in pulse transformer and delay line for information and communication equipment.</li> <li>3. It can be used in the coupling transformer for communication equipment.</li> <li>4. It can be used in light transceiver module with the integration of three signals for optical fibers connecting to houses.</li> </ol>
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>

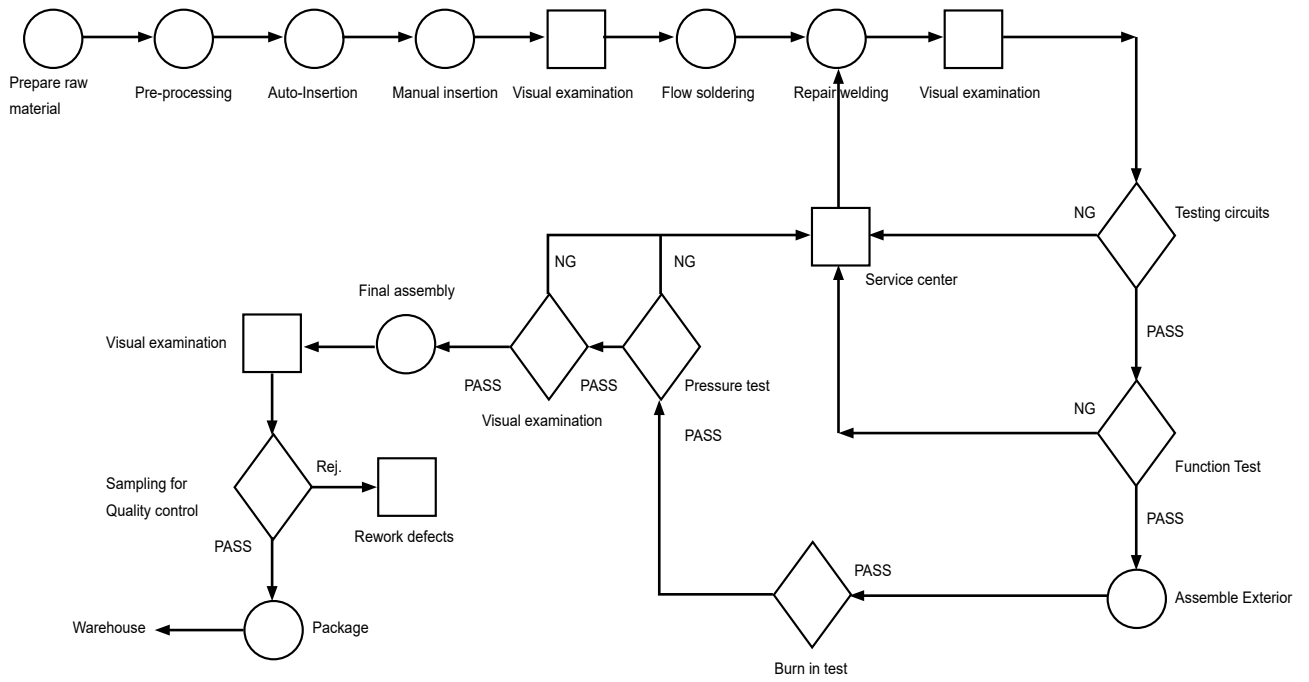


6.2.3 Manufacturing processes for the Company's main products

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. Regardless of the challenging global supply chain by the imbalanced situation due to such factors as pandemic change and economy recovery in 2021, resulting in rising costs of raw materials and tight supply of components, however, Delta has entered into the annual procurement contract with major suppliers for all elements, which may maintain the purchase cost to be stable and suppliers have planned for and retained inventory level for capacity in 3 months to come as indicated on the forecast of order quantity to take and the stock level has been ready for several weeks of supply sufficiently.

#### 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 2020, 2021 and the first quarter of 2022, 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 2020, 2021 and the first quarter of 2022, 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

Main Products (or Departments)	2020			2021		
	Capacity (thousands)	Quantity (thousands)	Amount (NT\$1,000)	Capacity (thousands)	Quantity (thousands)	Amount (NT\$1,000)
Power Electronics	172,029,000	171,260,275	166,606,136	186,000,000	185,297,140	190,575,061
Automation	11,000	10,089	23,255,675	13,000	12,481	28,540,834
Infrastructure	16,000	15,271	58,667,642	21,000	20,569	59,891,516
Others	3,000	2,455	812,163	11,000	10,919	1,741,315
Total	172,059,000	171,288,090	249,341,616	186,045,000	185,341,109	280,748,726

### 6.2.6.2 Volume of units sold for the last two years

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

Main Products (or Departments)	2020				2021			
	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	30,785,124	20,521,341	139,142,588	143,367,361	12,094,553	8,938,931	166,005,562	178,327,706
Automation	652	2,051,754	11,481	35,102,844	844	2,726,625	12,814	41,352,296
Infrastructure	1,698	5,651,675	55,233	70,701,300	831	4,413,120	52,561	73,376,364
Others	4	6,120	492	70,360	101	9,965	2,086	112,002
Total	30,787,478	28,230,890	139,209,794	249,241,865	12,096,329	16,088,641	166,073,023	293,168,368

### ▶ 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, 2022

Fiscal year		2020	2021	January 1, 2022 to April 29, 2022 (Note)
Number of Employees	Technical staffs (Engineering)	5,587	5,746	5,874
	Management and sales staff (including marketing staffs)	1,932	2,072	2,210
	Operators (including production line collaboration staffs)	1,932	2,048	2,220
	Total	9,451	9,866	10,304
Average age		38	38	38
Average years of service		8.1	8.3	8.1
Distribution of education (%)	PhD	2.0%	2.0%	2.1%
	Master	44.9%	44.6%	44.2%
	Bachelor's Degree	34.5%	34.5%	34.2%
	Senior High School	12.3%	12.0%	11.7%
	Below Senior High School	6.2%	6.9%	7.8%

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

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

#### 6.4.2 Corrective measures

In relation to the environmental contributions of Delta, please see "Devoted to the environmental and energy savings" in Chapter 4

#### 6.4.3 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:

Project items	Estimated expenses for environmental protection	Expected outcomes
Exhaust gas treatment	1,534	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	11,871	Maintain the operational performance of the wastewater treatment plant to monitor water quality of discharged wastewater and satisfy effluent standards
Waste treatment	30,218	Ensure proper treatment of production waste to reduce its impacts on the environment
Energy saving equipment installation	137,709	Lower the use of energy to reduce the emission of greenhouse gas
Other environmental protection expenses	8,263	Lessen environmental impacts to improve the quality of the environment

#### 6.4.4 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, incorporates health into business operations and continuously promotes the physical and mental wellbeing of employees. Employees actively participated in relevant programs and the number of participants increased by 80% compared with that in 2021, and they were awarded externally, which are specified as follows:

- (1) The National Health Service of the Ministry of Health and Welfare presented the “Healthy Workplace Sustainability Excellence Award” to the Company for continuously advocating the concept of social sustainability and development (i.e., To provide innovative, clean and energy-efficient solutions for a better tomorrow), adhering to SDG development goals, striving to implement a comprehensive, dynamic and diverse promotion strategy; continuously improving health indicators and behaviors, actively promoting employee health policies, providing comprehensive group care, and upholding autonomy in healthcare.
- (2) The Company was granted the Sports Enterprise Certification Mark twice by the Ministry of Education’s Sports Department for its continuous cultivation of employee exercise habits.
- (3) The Company was presented a second award, i.e., “Socially Innovative Enterprise Product and Service Procurement” for three consecutive years in support and recognition of long-term socially innovative enterprises and local businesses in Taiwan.

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 (Labor-Management/Welfare Committee meetings) and foreign workers discussion forum, 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 2022, 2,100 communities have been established in various departments 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, lectures on career planning for middle-aged and elderly people, tips for life-work balance when working from home during the pandemic, etc.
  - c. Holiday benefit: the Company provides a better-than-regulated system for sick leaves and legal working days. A travel subsidy and golden-week holiday are given to employees as well.
  - d. Thematic seminars: lecture on "joys of being slim" without regaining weight, sharing Masters' success stories through a Podcast series on postural management, stress relief amusement park, building parent-child relationship in the 3C era, talented illustrator slashed, etc.
  - e. Health and Lohas: healthy low GI, fun workplace scavenger hunt, new anti-pandemic bingo, weight-loss contest, online sports game, etc.
- (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. 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 employees 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, the family day had a superstar concert theme with outdoor barbecue activities, wherein colleagues could enjoy fun and warm moments with their families. The number of participants reached a record high of 8,500, a 65% increase compared to 2020 family day event.
  - b. Taipei Technology Cup Run: To celebrate Delta's 50th anniversary, employees were encouraged to exercise and establish a sense of identity, continuing the success of past activities like the Tianzhong Marathon and Hualien Pacific Rift Valley Marathon, wherein nearly 1,800 people participated and had fun on FB. This record-breaking turnout demonstrates a sense of pride among Delta employees.
  - c. A fun walk in the cloud: Amid the pandemic, an activity was organized to let our colleagues experience Dadaocheng, Yilan, Chiayi Ruifeng and other places online during the travel season. This allowed them, as well as their relatives and friends to know more about Taiwanese culture and to discover the beauty of Taiwan, while effectively coping with the issue of being unable to travel during the pandemic. The combined real-time tour/teaching and offline practical experience received positive feedback from colleagues, i.e., the activity was better than the current travel program. The number of participants increased by nearly 5% compared to employee turnout in similar physical activities in 2021; moreover, the satisfaction rate was better.
  - d. Bike-factory interconnection: As part of the "green life with carbon reduction, sustainable environment" advocacy and the promotion of "zero carbon competition," a 4-day bike relay traversing 8 factories from north to south was held to pass the island tour flag around while planting seeds of hope and responding to Delta's vision of protecting the environment. The



activity had favorable response across factories, with unforgettable memories of the wind and rain during the tour.

- e. Island cycling tour: A 10- day cycling tour involving thousands of miles was arranged to promote the strength of Delta and to look forward to the next 50 brilliant years. The team shared how they felt about the activity, i.e., “one person goes fast, while a group of people go far”. The employees were grateful to the Company for upholding the concept “To provide innovative, clean and energy-efficient solutions for a better tomorrow.”
- (2) Various clubs: There are a total of 59 clubs, including e-sports club, marathon club, volleyball club, basketball club, badminton club, etc. The Company also grants subsidies to encourage active participation, helping employees become healthier and relieve stress after work.

#### **“Social”: Caring for the community**

The Company was presented a second award, i.e., “Socially Innovative Enterprise Product and Service Procurement” for three consecutive years in support and recognition of socially innovative enterprises and Taiwanese local companies. Please refer to the actual implementations below:

- (1) Support for Social Enterprise - Island Walk  
Introduced the Fun Walk in the Cloud during the COVID-19 pandemic, encouraging everyone to join the Art & Culture journey in order to have a sense of reality during the COVID-19 Alert Level III situation. Before the activity, the Company provided product packages to everyone, incorporated DIY (Do-it-Yourself) AR (Augmented Reality) Aiyu course and fermented bean curd as a way to show the beauty of Taiwan, while helping Taiwanese local companies survive the pandemic.
- (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 people, thereby implementing corporate social care activities.
  - c. The Company works with socially innovative enterprise Huosin International Design to create the trophy for senior and model employees. The trophy is made of recycled materials, with emphasis on the concept of recycling and sustainable design, and protection of the earth's resources.
  - d. Organize fundraising activities: Through various and convenient collection methods, we have inspired colleagues to take the initiative to turn love into practical actions, and have selected institutions for people with disabilities that have less social welfare resources. A total of 5,949 items were raised for 18 social welfare units in Taiwan. There was a 62% increase compared to a similar activity held in 2020. An additional NT\$201,466 was raised for the Happy Mount Colony. Limited-edition, co-branded clothing and hats strongly supported by colleagues were all sold out, creating a sense of exclusiveness among Delta employees and fulfilling corporate social responsibility through team effort.

#### 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 Award – Excellence in Practice for Talent Development for two consecutive years in 2020 and 2021. Furthermore, the Company in 2021 received three silver medals in human resource management from the prestigious Brandon Hall Group HCM Excellence Awards: "Best Unique or Innovative Talent Management Program", "Best Use of Video for Learning" and "Best Learning Team".

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 and the Company itself to transform successfully through "Evaluation and Cultivation of Highly Skilled Personnel", "Focused Training in Solution Business for Young Talents", and "three major strategies in focused training, thereby setting the tone for the discovery and cultivation of new business talents, and launching relevant internal recruitment plans in response to the Company's major strategy.

- (1) Continuous investment in employees' professional development: The total training expense reached 8.01 million in 2021, the decline compared with 2020 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.
- (2) Three major strategies in focused training: Delta has classified its company strategies into three learning points: "Leadership", "Professionalism", and "Sales & Marketing". The Company has formed 11 Global Training Committees in 2021, through which Leadership Development committees (LDC) that focus on talent development and Global Training Committees are refocusing the roles, responsibilities and qualifications for each position so that the training and development system can be properly developed.
  - a. Leadership: Adjust expectations on the performance of managers according to the Company's strategy and situation; re-examine and adjust the Leader Quality Guide of managers. Based on the revised version of the Leader Quality Guide, the management course structure is updated and helps promote Delta's management philosophy to the world. With the help of an external consultant, Delta's top managers developed an exclusive course using a case study. According to the internal "Instructor Management Guidebook", high-level managers are required to share their expertise at least once a year through online or physical training; the achievement rate for management executive-related sharing in 2021 was 90%.
  - b. Professionalism: In 2021, the Company redefined global professional functions and advanced the learning map through 11 core functions (Global Supply Chain, Total Quality Management, IT, HR, Power Electronics, Software & Firmware, Organization, Strategic Marketing, Global Manufacturing, Finance, and Legal/IP). By the end of 2020, 4 functions including Global Supply Chain, Total Quality Management, IT and HR were first employed for trial operations. This year, nearly 100 courses were implemented, with 238 training hours and 3,221 trainees. The remaining functions are set to produce a global learning map at the end of the year. A total of 1,504 core courses have been refined from 11 functions and are geared towards the development of courses for the following year as well as the continuous improvement of employees' professional capabilities.
  - c. Sales & Marketing: Through the operation of the Global Sales & Marketing Training Committee, 28 global business marketing courses have been designed according to the business sales

process, and the transformation of knowledge and ability is achieved through a series of courses related to marketing, business, contract and communication. The basic courses focus on Delta's sales process, communication and negotiation, sales skills, channel and customer management, and marketing; advanced courses focus on strategic planning, sales solutions, advanced business negotiation, legal and risk management, etc. With an internal knowledge management platform, colleagues from different units can gain product knowledge, become familiar with products in different fields, and improve their ability to formulate effective solutions.

- (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 3,509 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.
  - f. Delta Podcast: Since Q4 2021, the Company has released new episodes weekly, and created four major themes called "Celebrity Talks, Time to Listen to Books, Life Kaleidoscope, and Self-Growth", which integrate learning factors into interview programs and link them to various training and activities relevant to employee relations so as to create synergy, as well as more diverse learning and exchange experiences.
  - g. Online reading club: Breaking through traditional reading clubs, the Company has created an online reading club that all employees can access during the pandemic without any restrictions of space or distance, thereby promoting and establishing a good reading atmosphere for everyone.
- (4) Improve training quality: Delta continues to strengthen and integrate training resources to improve both quality and quantity of training sessions. The number of courses introduced at external training institutions declined during the COVID-19 pandemic; they were actively transformed into self-organized or online courses. To ensure the effectiveness of online learning, employees reduced their total hours so the average training hours slightly declined.

Year	Amount of training sessions (internal sessions)	Number of trained individuals (internal sessions)	Number of trained individuals (external sessions)	Average training hours per person	Total cost of training sessions (NT\$)
2021	2,015	125,744	5,673	11.5	8.01 million
2020	1,583	121,105	6,730	11.8	8.45 million
2019	1,202	114,238	12,518	13.3	16.83 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 or functional heads 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. By the end of 2021, about 48% of the talents have changed their positions and rotated from their original job to the solution business team or have been promoted.

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.

#### 6.5.1.3 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 decide 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: (The same regulations apply to employees subject to the Labor Pension Act.)**

Voluntary retirement: 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 personnel, 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, Pingjhen plant 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)", International Labor Office Tripartite Declaration of Principles (Declaration for Multinational Enterprises) international labor and human right standard, etc. and local operating guidelines in amending its human rights and employee policies in 2019 to reflect the value of international human rights. Delta is also

committed to complying with applicable labor and employment laws and international standards in all operating areas. Delta's Human Rights and Employee Policy covers all Delta employees, subsidiaries, business partners, suppliers, and contractors. Our Human Rights Principles includes: (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.

### **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 Group Code of Conduct" was amended in 2019 and applied to all members of Delta Electronics Inc., its affiliates, and subsidiaries including directors, supervisors, managers and employees.

The content of Delta Group Code of Conduct includes: (1)Scope of Application and Ground Rules, (2)Conflict of Interest, (3)Receiving Gifts and Entertainment, (4)Business integrity, (5)Business Operation with Integrity, (6)Political Donations, Political Participation, and Charitable Donations, (7)Insider Trading, (8)Fair Competition, (9)Trade Secret, Intellectual Property, and Confidential Information, (10)Respect Personal Privacy, (11)Diversity, Fair Employment Opportunity, and Respect, (12)Discrimination and Harassment Prohibition, (13)Environment, Health, and Safety of Working Premises, (14)Using Company Resources, (15)Compliance with Environmental Protection Rules, (16)Training, Propagating, Discipline and Whistleblower Channels.

Specific implementations:

- With the RBA human rights standards, Delta maintains human rights policy goals, and human rights protection KPIs every year. The Company carries out PDCA cycle ceaselessly, improving human rights-related systems year by year and intensifying human rights protection measures.
- In addition to regular compliance of labor laws and regulations, Delta also actively implements human rights standard inspections. It has independently conducted a total of 22 relevant internal assessments and accepted 86 external audits globally in 2021, with about 3.1% deficiency rate in the audit of human rights standards. Delta has also taken various mitigation measures based on the risk assessment result and addressed the deficiencies found in internal and external reviews.
- The Company sets the highest standards for itself and its sustainable suppliers to exceed industry-recognized practical standards. It is committed to following the RBA code of conduct, organizing supplier education and training courses from time to time to improve the lives of suppliers' employees and Delta's factories and suppliers' performance in terms of social and environmental responsibility. All qualified suppliers are requested to sign the "Delta Integrity Commitment", and Delta implements an anti-corruption policy and holds training courses from time to time through emails and its procurement platform. In order to effectively promote sustainable management across supply chains, Delta has integrated various global procurement systems and has formed a Supply Chain ESG Committee to organize committee meetings regularly for project progress review.
- To make all Delta Group members familiar with human rights and employee policies as well as the Delta Group Code of Conduct, every onboard employee and incumbent employees who accept repeat trainings every year need to attend education trainings including "Ethical Corporate Management, Human Rights Standards and Code of Conduct," etc. In 2021, a total of 79,943 people in Delta Group globally participated in online training courses related to the topics mentioned above with a training completion rate of 96.1%.



- To ensure compliance with its policies around the world, Delta formulated the Delta Group whistleblowing system and management measures in 2019 and set up a formal global whistleblowing channel for employees, Delta suppliers, and other external stakeholders to report illegal and violation of Human Rights and Employee Policies, Code of Conduct or Ethical Corporate Management.

**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.**

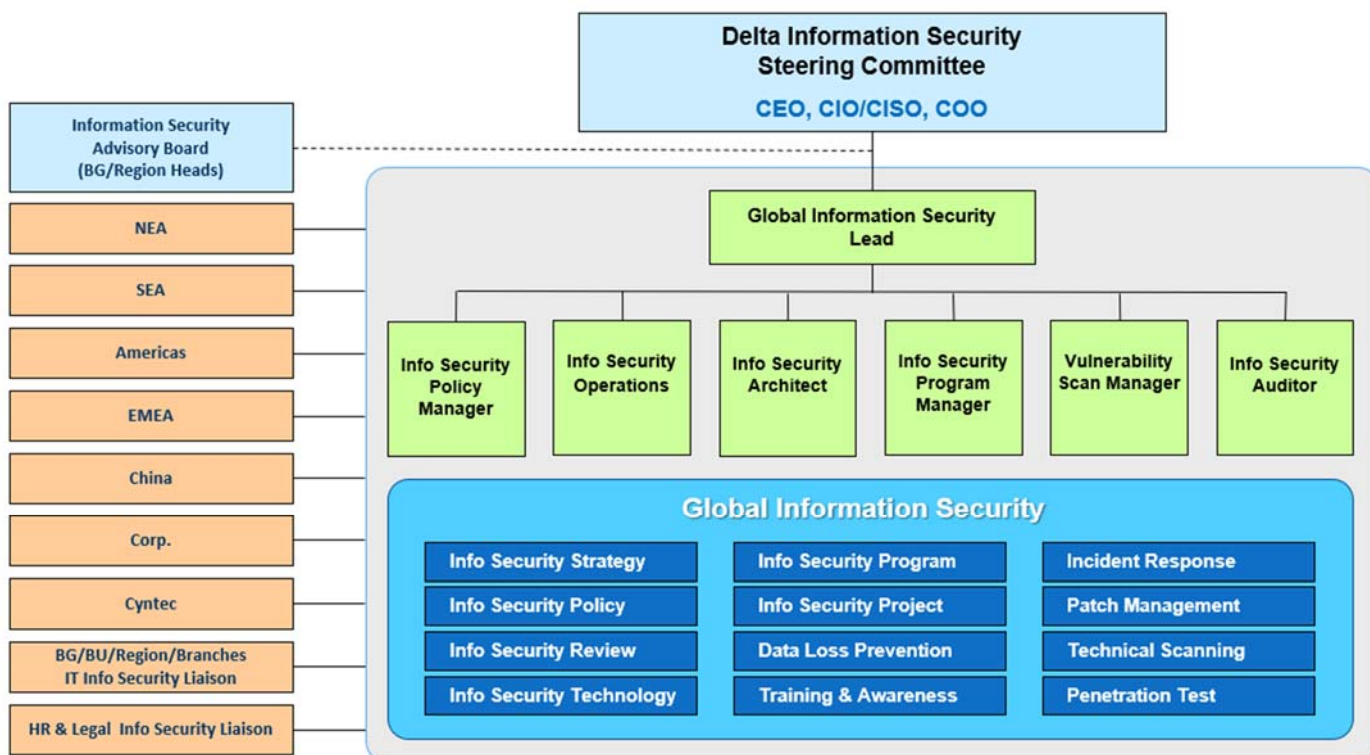
The Company expects employees to completely uphold the corporate culture of “innovation, customer satisfaction, agility, cooperation, and quality”. It regularly coordinates with its workforce and complies with labor regulations. However, during the labor inspection on September 30, 2021, employees at the Taoyuan Factory were found to be conducting personal business after working hours, resulting in late clock outs during normal working hours and failure to correct the actual work time. As such, the Company found violations subject to the following penalty:

- Date of Penalty: November 30, 2021
- Penalty Record Number: Fu Lao JianZi No. 1100306829 (Taoyuan City)
- Violation of Clause: Paragraph 6, Article 30 of the Labor Standards Act
- Violation of laws and regulations: failure to record daily and up-to-the-minute labor attendance
- Description of penalty: NT\$20,000 fine
- Remedy: The Company has strengthened the implementation of attendance regulations and adjusted the attendance system. In addition to rationalizing working hours, the Company also requested employees to swipe their cards to check-in and out according to actual working hours to maintain accurate records.

## ▶ 6.6 Cyber Security Management

### 6.6.1. Organizational Chart of Delta Information Security

Delta Group has set up an Information Security Steering Committee, wherein the CEO, CIO/CISO, COO are in charge of supervision and review, direct the Information Division's Information Security Department to coordinate and facilitate information security policy management, information security operations, security architecture, vulnerability management & scanning, information security risk management and compliance audit. It also organizes information security managers in different parts of the world to ensure implementation of information security policy, management and control across business units globally.



### 6.6.2. Delta Information Security Policy

Delta Group's global employees and contracted personnel shall observe the Delta Information Security Policy as follows:

1. Guidelines for Information Equipment User
2. Guidelines for Mobile Device User
3. Guidelines for Password User
4. Guidelines for Corporate E-mail User
5. Guidelines for Internet User
6. Guidelines for Information Handling
7. Guidelines for Software Usage and Authorization
8. Guidelines for User of Removable Media Devices
9. Guidelines for Visitor Security
10. Guidelines for Deployment of Anti-virus and Information Leakage Protection Software
11. Guidelines for Remote Access
12. Guidelines for Information Security Event Management
13. Information Security Requirement for External Network Application Services
14. Guidelines for Corporate Resource User



### **6.6.3. Information and communication security management resources**

#### **6.6.3.1 Global information & communication security management**

A total of 9 specialists in charge of IT information security organize the monthly Information Security Representatives Meeting to review global information & communication security issues, and more than 40 information security representatives appointed by every major unit hold monthly Data Loss Prevention (DLP) Plan Execution & Review Meetings.

Security Operation Center (SOC) Specialist Team monitors and recognizes real-time information security incidents and intensifies relevant countermeasures.

#### **6.6.3.2 Introduction and verification of Information Security & Privacy Management System**

In order to intensify information security within the Company as well as confidentiality, completeness and availability of personal data, Delta Group introduced the ISO27001 Information Security Management System (ISMS) and obtained certification in 2018, followed by the ISO27701 Privacy Information Management System in 2021 for management and constant improvement pursuant to the terms governing information & communication security control and customers' security needs issued by the International Standard Organization.

Delta Electronics (Wuhu) Co., Ltd., Delta Electronics (Dongguan) Co., Ltd., Delta Networks (Dongguan) Ltd. and Delta Electronics (Chenzhou) Co., Ltd. have been received advanced level certification from the Customs of China (General Administration of Customs of China (GACC)) in 2020.

#### **6.6.3.3 Vulnerability Scan and Penetration Testing**

A vulnerability scan was conducted on Delta Group's network equipment, applied system and products, as well as a penetration test on the website and system.

#### **6.6.3.4 Annual information & communication security trainings, anti-phishing email training exercises**

Information & communication security trainings were organized for Delta Group employees globally along with effective use of language; anti-phishing email training exercises, identifying phishing emails, evaluation of training exercise results were also held across regions to improve maintain efficiency.

### **6.6.4. The impact of historically severe information security events and countermeasures**

In January 2022, some of Delta's information systems were compromised due to a cyberattack, causing inaccessibility of the Company's website, Office Automation for office works and relevant systems. Upon detecting the incident, the IT department promptly notified relevant departments to activate the emergency response mechanism and sought the assistance of external experts to resolve the problem by protecting relevant programs, analyzing and investigating the cyber breach, and recovering affected systems. The incident, however, did not significantly affect overall operations and was already reported to the government's law enforcement agencies. The Company has likewise issued a statement regarding the incident pursuant to laws and regulations.

According to the preliminary investigation and analytical review, it was found that there was a data breach on the Company's employee accounts via social media or through the internet. In view of this, Delta's Information & Security Unit has planned for more intense trainings and social media training exercises for Delta employees globally, and the IT Team will improve the Company's email filtering mechanism, surveillance and network/system security controls to reduce risks and avoid similar incidents in the future.

## ► 6.7 Important contracts

Nature of the Contracts	Contracting Parties	Commencement and Expiration Dates	Major Content	Restrictive Clauses
Construction Contract	TOPPAL ENGINEERING CO., LTD.	Date of Commencement: February 27, 2021 Date of Completion: July 30, 2021	TOPPAL was contracted for modification of several Delta exhaust equipment at Taoyuan Plant 2 and laboratory air-conditioning unit.	None
Construction Contract	TOPPAL ENGINEERING CO., LTD.	Date of Commencement: April 1, 2021 Date of Completion: July 31, 2021	TOPPAL was contracted to work on Delta's partial air-conditioning, exhaust process and ice water engineering system at Taoyuan Plant 2.	None
Construction Contract	TZU CHI CULTURE AND COMMUNICATION FOUNDATION	October 22, 2021 to completion of contract	Delta was contracted to work on power and air-conditioning systems, as well as a server rack cabinet for the main server room on the 7 <sup>th</sup> floor of Tzu Chi Guangdu Park Phase II Building.	None
Construction Contract	HANG LEI DESIGN SYSTEM ENGINEERING CO., LTD.	Date of Commencement: December 15, 2020 Date of Completion: April 15, 2021	Renovation of employee restaurant and welfare facilities at Phase III Tainan Science Park	None
Construction Contract	AI DESIGN HOUSE Co., Ltd.	Date of Commencement: May 31, 2021 Date of Completion: July 20, 2021	Construction of the Display Room at Chungli Plant 5.	None
Construction Contract	UNITED STEEL ENGINEERING & CONSTRUCTION CORP.	December 1, 2020 to expiration of construction warranty period	Delta was contracted to work on the LED scoreboard of UNITED STEEL ENGINEERING & CONSTRUCTION CORP.'s Tainan Asia Pacific International Baseball Training Center	None
Construction Contract	RICH EASY INDUSTRIAL ENTERPRISE CO., LTD.	June 10, 2021 to expiration of construction warranty period	RICH EASY was contracted for the improvement of Changhua County Junior High School & Elementary School's Delta power system	None
Construction Contract	FENG HE TELECOMMUNICATION CO., LTD.	June 1, 2021 to expiration of construction warranty period	FENG HE was contracted for the replacement and installation of LED road lights in Tainan City.	None
Construction Contract	LI MING CONSTRUCTION CO., LTD.	December 17, 2021 to expiration of construction warranty period	LI MING was contracted for civil works at Delta's Chungli Plant 6.	None
Construction Contract	RICH EASY INDUSTRIAL ENTERPRISE CO., LTD.	June 10, 2021 to expiration of construction warranty period	RICH EASY was contracted for the improvement of power systems in junior high & elementary schools in Taichung City	None
Appointment Contract	JJP architects & planners (JJP)	June 10, 2021 to June 9, 2023	JJP was contracted for the planning, design and supervision of construction of Delta's Chungli Plant 6.	None
Development Contract	Industrial Technology Research Institute (ITRI)	May 1, 2021 to April 30, 2024	Delta and ITRI set up a Joint Research Plan for a "power module with the use of advanced sintering technology".	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, 2021 AND 2020**

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

## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Delta Electronics, Inc. and subsidiaries (the "Group") as at December 31, 2021 and 2020, 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, 2021 and 2020, 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 2021 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 2021 consolidated financial statements are stated as follows:

### **Impairment assessment of goodwill**

#### Description

As at December 31, 2021, the recognised goodwill as a result of the acquisitions of Cyntec Co., Ltd., Eltek AS, Delta Controls Inc. and Delta Greentech (China) Co., Ltd. amounted to NT\$13,796,570 thousand, constituting 3.78% of the consolidated total assets. Refer to Notes 5(2) and 6(11) 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 significant accounting estimates and prediction of future cash flows. Thus, we considered 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. Assessed whether the valuation models adopted by the Group are reasonable for the industry, environment and the valued assets of the Group;
- 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 consolidated financial statements of certain subsidiaries 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\$64,012,128 thousand and NT\$64,807,490 thousand, constituting 17.53% and 19.26% of the consolidated total assets as at December 31, 2021 and 2020, respectively, and the operating revenue amounted to NT\$72,526,738 thousand and NT\$63,667,883 thousand, constituting 23.05% and 22.53% of the consolidated total operating revenue 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, 2021 and 2020.

***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, 2021 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$27.66 to US\$1.00 at December 31, 2021. This basis of translation is not in accordance with 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, 2022

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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.

**DELTA ELECTRONICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Assets	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2020
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 1,802,424	\$ 49,855,053	\$ 58,711,985	
Financial assets at fair value through profit or loss - current	6(2)	39,253	1,085,729	1,061,343	
Financial assets at amortised cost - current	8	11,831	327,238	676,385	
Contract assets - current	6(21)	129,765	3,589,313	2,170,634	
Notes receivable, net	6(5)	123,667	3,420,633	3,733,595	
Accounts receivable, net	6(5)	2,438,047	67,436,377	59,177,433	
Accounts receivable - related parties	7	1,006	27,831	42,284	
Other receivables	6(6) and 7	65,632	1,815,370	1,803,498	
Current income tax assets		12,625	349,207	364,666	
Inventories	6(7)	2,389,998	66,107,351	44,889,429	
Prepayments		88,585	2,450,269	2,171,217	
Non-current assets held for sale	6(9)	11,589	320,551	-	
Other current assets		3,372	93,272	84,386	
<b>Total current assets</b>		<b>7,117,794</b>	<b>196,878,194</b>	<b>174,886,855</b>	
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss - non-current	6(2)	121,179	3,351,798	2,942,196	
Financial assets at fair value through other comprehensive income - non-current	6(3)	57,406	1,587,843	1,927,683	
Contract assets - non-current	6(21)	16,737	462,941	526,766	
Investments accounted for under the equity method	6(8)	2,304	63,731	785,002	
Property, plant and equipment	6(9) and 8	2,769,605	76,607,285	68,441,975	
Right-of-use assets	6(10)	108,711	3,006,960	3,020,746	
Investment property, net		509	14,070	14,070	
Intangible assets	6(11)	2,661,228	73,609,564	75,459,630	
Deferred income tax assets	6(28)	259,488	7,177,447	6,471,705	
Other non-current assets	6(5)(12) and 8	85,050	2,352,477	1,939,587	
<b>Total non-current assets</b>		<b>6,082,217</b>	<b>168,234,116</b>	<b>161,529,360</b>	
<b>Total assets</b>		<b>\$ 13,200,011</b>	<b>\$ 365,112,310</b>	<b>\$ 336,416,215</b>	

(Continued)

**DELTA ELECTRONICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
**(EXPRESSED IN THOUSANDS OF DOLLARS)**

Liabilities and Equity	Notes	US Dollars		New Taiwan Dollars	
		December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2020
<b>Current liabilities</b>					
Short-term borrowings	6(13)	\$ 158,979	\$ 4,397,362	\$ 2,001,532	
Financial liabilities at fair value	6(2)				
through profit or loss - current		1,496	41,371	60,060	
Contract liabilities - current	6(21)	196,636	5,438,939	5,012,589	
Notes payable		16	440	2,770	
Accounts payable		1,972,323	54,554,462	46,687,510	
Accounts payable - related parties	7	543	15,023	29,641	
Other payables	6(14)	1,288,944	35,652,202	32,884,221	
Current income tax liabilities		126,034	3,486,108	3,085,472	
Other current liabilities	6(15)	165,711	4,583,570	4,259,706	
<b>Total current liabilities</b>		<u>3,910,682</u>	<u>108,169,477</u>	<u>94,023,501</u>	
<b>Non-current liabilities</b>					
Long-term borrowings	6(15)	1,587,628	43,913,787	39,313,990	
Deferred income tax liabilities	6(28)	606,549	16,777,156	15,450,119	
Lease liabilities - non-current		49,400	1,366,401	1,411,312	
Other non-current liabilities		316,733	8,760,831	7,627,652	
<b>Total non-current liabilities</b>		<u>2,560,310</u>	<u>70,818,175</u>	<u>63,803,073</u>	
<b>Total liabilities</b>		<u>6,470,992</u>	<u>178,987,652</u>	<u>157,826,574</u>	
<b>Equity</b>					
Share capital					
Common stock	6(17)	939,098	25,975,433	25,975,433	
Capital surplus	6(18)				
Capital surplus		1,775,638	49,114,151	49,202,505	
Retained earnings	6(19)				
Legal reserve		1,073,671	29,697,752	27,342,534	
Special reserve		453,478	12,543,208	7,622,034	
Unappropriated retained earnings		1,938,637	53,622,701	48,300,040	
Other equity interest					
Other equity interest		( 584,480)	( 16,166,723)	( 12,543,208)	
<b>Equity attributable to owners of the parent</b>		5,596,042	154,786,522	145,899,338	
<b>Non-controlling interest</b>	4(3) and 6(20)	<u>1,132,977</u>	<u>31,338,136</u>	<u>32,690,303</u>	
<b>Total equity</b>		<u>6,729,019</u>	<u>186,124,658</u>	<u>178,589,641</u>	
Significant contingent liabilities and unrecorded contract commitments	9				
Significant subsequent events	11				
<b>Total liabilities and equity</b>		<u>\$ 13,200,011</u>	<u>\$ 365,112,310</u>	<u>\$ 336,416,215</u>	

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, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021	2021	2020	2020
Operating revenue	6(21) and 7	\$ 11,376,385	\$ 314,670,796	\$ 282,605,493	
Operating costs	6(7)(26)				
	(27) and 7	( 8,115,017)	( 224,461,345)	( 195,393,115)	
Gross profit		<u>3,261,368</u>	<u>90,209,451</u>	<u>87,212,378</u>	
Operating expenses	6(26)(27)				
Selling expenses		( 702,876)	( 19,441,530)	( 18,430,010)	
General and administrative expenses		( 447,508)	( 12,378,064)	( 12,020,761)	
Research and development expenses		( 983,459)	( 27,202,489)	( 25,479,870)	
Expected credit impairment gain	12(2)	<u>6,413</u>	<u>177,373</u>	<u>144,067</u>	
Total operating expenses		( 2,127,430)	( 58,844,710)	( 55,786,574)	
Operating profit		<u>1,133,938</u>	<u>31,364,741</u>	<u>31,425,804</u>	
Non-operating income and expenses					
Interest income	6(22)	15,533	429,643	544,147	
Other income	6(23)	111,724	3,090,291	3,939,821	
Other gains and losses	6(11)(24)	37,538	1,038,291	( 1,199,056)	
Finance costs	6(25)	( 10,671)	( 295,157)	( 375,837)	
Share of (loss) profit of associates and joint ventures accounted for under the equity method	6(8)	( 9)	( 262)	( 59,596)	
Total non-operating income and expenses		<u>154,115</u>	<u>4,262,806</u>	<u>2,849,479</u>	
<b>Profit before income tax</b>		<u>1,288,053</u>	<u>35,627,547</u>	<u>34,275,283</u>	
Income tax expense	6(28)	( 257,712)	( 7,128,314)	( 6,890,944)	
<b>Profit for the year</b>		<u>\$ 1,030,341</u>	<u>\$ 28,499,233</u>	<u>\$ 27,384,339</u>	

(Continued)

**DELTA ELECTRONICS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	US Dollars		New Taiwan Dollars	
		2021		2021	2020
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
Gain (loss) on remeasurements of defined benefit plans		\$ 3,163	\$	87,497	( \$ 156,768)
Unrealised gain on valuation of equity investment at fair value through other comprehensive income	6(3)	( 15,275)	(	422,509)	326,268
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	63		1,734	13,838
Other comprehensive income (loss) that will not be reclassified to profit or loss		( 12,049)	(	333,278)	183,338
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
Financial statements translation differences of foreign operations		( 175,517)	(	4,854,790)	( 9,591,864)
Loss on hedging instrument		( 28)	(	777)	( 18,489)
Share of other comprehensive income of associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss		12		329	819
Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(28)	8,316		230,010	476,157
Other comprehensive loss that will be reclassified to profit or loss		( 167,217)	(	4,625,228)	( 9,133,377)
<b>Other comprehensive loss for the year</b>		<b>( \$ 179,266)</b>	<b>( \$</b>	<b>4,958,506)</b>	<b>( \$ 8,950,039)</b>
<b>Total comprehensive income for the year</b>		<b>\$ 851,075</b>	<b>\$</b>	<b>23,540,727</b>	<b>\$ 18,434,300</b>
Profit attributable to:					
Owners of the parent		\$ 968,774	\$	26,796,302	\$ 25,485,231
Non-controlling interest		\$ 61,567	\$	1,702,931	\$ 1,899,108
Comprehensive income (loss) attributable to:					
Owners of the parent		\$ 840,998	\$	23,262,018	\$ 18,689,957
Non-controlling interest		\$ 10,077	\$	278,709	( \$ 255,657)
Earnings per share					
Basic earnings per share	6(29)	\$ 0.37	\$	10.32	\$ 9.81
Diluted earnings per share	6(29)	\$ 0.37	\$	10.27	\$ 9.77

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, 2021 AND 2020  
(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	
	\$ 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	\$ 34,197,565	\$ 174,354,442
2020 New Taiwan Dollars											
Balance at January 1, 2020											
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)
Total 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											
6(19)											
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
6(33)											
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)
6(3)											
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	\$ 353,844	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641
2021 New Taiwan Dollars											
Balance at January 1, 2021	\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338	\$ 32,690,303	\$ 178,589,641
Profit for the year	-	-	-	-	26,796,302	(3,200,307)	(422,509)	(699)	26,796,302	1,702,931	28,499,233
Other comprehensive income (loss) for the year	-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)	(1,424,222)	(4,938,506)
Total comprehensive income (loss) for the year	-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	23,262,018	278,709	23,540,727
Distribution of 2020 earnings											
6(19)											
Legal reserve	-	-	2,355,218	-	(2,355,218)	-	-	-	-	-	-
Special reserve	-	-	-	4,921,174	(4,921,174)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(14,286,480)	-	-	-	(14,286,480)	-	(14,286,480)
Change in ownership interests in subsidiaries	-	(110,388)	-	-	-	-	-	-	(110,388)	-	(110,388)
6(33)											
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	22,034	-	-	-	-	-	-	22,034	(166,370)	(144,336)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,464,506)	(1,464,506)
Balance at December 31, 2021	\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,333	\$ 129,917	\$ 154,786,522	\$ 31,338,136	\$ 186,124,658

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DELTA ELECTRONICS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF DOLLARS)

Notes	Equity attributable to owners of the parent										
	Retained earnings				Other equity interest			Total	Non-controlling interest	Total equity	
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain (loss) on financial assets measured at fair value through other comprehensive income				Gain (loss) on hedging instruments
2021 US Dollars											
	\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	\$ 445,407	\$ 12,793	\$ 4,722	\$ 5,274,741	\$ 1,181,862	\$ 6,456,603
Balance at January 1, 2021	-	-	-	-	968,774	-	-	-	968,774	61,567	1,030,341
Profit for the year	-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)	(51,490)	(179,266)
Other comprehensive income (loss) for the year	-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998	10,077	851,075
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	-
Distribution of 2020 earnings	6(19)	-	-	-	(85,149)	-	-	-	-	-	-
Legal reserve	-	-	85,149	-	(177,917)	-	-	-	-	-	-
Special reserve	-	-	-	177,917	(516,503)	-	-	-	(516,503)	-	(516,503)
Cash dividends	-	-	-	-	(3,991)	-	-	-	(3,991)	-	(3,991)
Changes in ownership interests in subsidiaries	-	(3,991)	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	797	-	-	-	-	-	-	797	(6,015)	(5,218)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(52,947)	(52,947)
Balance at December 31, 2021	\$ 939,098	\$ 1,775,638	\$ 1,073,671	\$ 453,478	\$ 1,938,637	\$ 561,109	\$ 28,068	\$ 4,697	\$ 5,596,042	\$ 1,132,977	\$ 6,729,019

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, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Notes	US Dollars	New Taiwan Dollars	
		2021	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Consolidated profit before tax for the year		\$ 1,288,053	\$ 35,627,547	\$ 34,275,283
Adjustments				
Income and expenses having no effect on cash flows				
Depreciation	6(9)(10)(26)	486,891	13,467,401	12,024,107
Amortisation	6(11)(26)	133,185	3,683,902	3,846,049
Expected credit impairment gain	12(2)	( 6,413 )	( 177,373 )	( 144,067 )
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(24)	( 20,721 )	( 573,145 )	( 71,489 )
Interest expense	6(25)	10,671	295,157	375,837
Interest income	6(22)	( 15,533 )	( 429,643 )	( 544,147 )
Dividend income	6(23)	( 10,686 )	( 295,568 )	( 190,171 )
Share-based payments	6(30)	-	-	( 900 )
Share of loss of associates accounted for under the equity method	6(8)	9	262	59,596
Loss on disposal of property, plant and equipment	6(24)	2,294	63,452	67,529
(Gain) loss on disposal of investments	6(24)	( 3,258 )	( 90,109 )	( 95,654 )
Impairment loss on non-financial assets	6(9)(11)(24)	5,962	164,900	801,712
Casualty loss	6(24)	11,912	329,493	-
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		806	22,296	( 572,564 )
Contract assets	(	48,982 )	( 1,354,854 )	( 1,300,311 )
Notes receivable		11,315	312,962	83,033
Accounts receivable	(	277,768 )	( 7,683,037 )	( 5,900,888 )
Accounts receivable - related parties		523	14,453	221,360
Other receivables		8,324	230,248	( 314,845 )
Other receivables - related parties	(	10 )	( 286 )	-
Inventories	(	754,656 )	( 20,873,744 )	( 5,393,170 )
Prepayments	(	8,389 )	( 232,033 )	( 232,351 )
Other current assets	(	224 )	( 6,206 )	( 101,682 )
Other non-current assets		4,496	124,347	71,407
Net changes in liabilities relating to operating activities				
Contract liabilities		12,646	349,781	1,653,725
Notes payable	(	74 )	( 2,046 )	( 18,899 )
Accounts payable		279,837	7,740,285	6,710,023
Accounts payable - related parties	(	546 )	( 15,115 )	( 2,556 )
Other payables		92,273	2,552,264	4,055,801
Other current liabilities		10,997	304,176	30,801
Other non-current liabilities	(	8,782 )	( 242,916 )	( 1,974 )
Cash inflow generated from operations		1,204,152	33,306,851	50,253,917
Interest received		17,402	481,315	537,327
Dividends received		10,687	295,607	188,495
Interest paid	(	10,683 )	( 295,484 )	( 376,796 )
Income taxes paid	(	197,720 )	( 5,468,923 )	( 3,752,891 )
Net cash flows from operating activities		1,023,838	28,319,366	46,850,052

(Continued)



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

	Notes	US Dollars	New Taiwan Dollars	
		2021	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of financial assets at fair value through other comprehensive income		( \$ 532 )	( \$ 14,710 )	\$ -
Acquisition of financial assets mandatorily measured at fair value through profit or loss		( 7,128 )	( 197,148 )	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		489	13,538	501,867
Proceeds from capital withdrawal liquidation of financial assets at fair value through profit or loss		1,143	31,626	4,444
Proceeds from capital reduction		939	25,979	-
Decrease (increase) in financial assets at amortised cost		11,507	318,274	( 537,131 )
Proceeds from disposal of investments accounted for under the equity method		22,787	630,280	7,240
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	( 103,939 )	( 2,874,959 )	( 1,088,115 )
Proceeds from disposal of subsidiaries (net of cash disposed)	6(32)	52	1,434	-
Increase in prepayment for long-term investment		( 1,011 )	( 27,953 )	-
Acquisition of property, plant and equipment	6(9)	( 832,512 )	( 23,027,290 )	( 17,838,456 )
Proceeds from government grants - property, plant and equipment		2,245	62,095	-
Proceeds from disposal of property, plant and equipment		7,681	212,445	197,480
Acquisition of intangible assets	6(11)	( 47,035 )	( 1,300,978 )	( 684,761 )
(Increase) decrease in other non-current assets		( 12,071 )	( 333,892 )	332,660
Net cash flows used in investing activities		( 957,385 )	( 26,481,259 )	( 19,104,772 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase (decrease) in short-term borrowings		86,617	2,395,830	( 5,574,400 )
Proceeds from long-term borrowings		1,448,555	40,067,024	67,144,183
Repayment of long-term borrowings		( 1,282,365 )	( 35,470,219 )	( 55,596,451 )
Lease principal repayment		( 19,587 )	( 541,768 )	( 517,080 )
Increase in refundable deposits		40,043	1,107,595	-
Cash dividends paid	6(19)	( 516,503 )	( 14,286,480 )	( 12,987,717 )
Cash dividends paid to minority share interests	6(20)	( 52,947 )	( 1,464,506 )	( 895,326 )
Acquisition of ownership interests in subsidiaries	6(33)	( 5,218 )	( 144,336 )	( 398,839 )
Net cash flows used in financing activities		( 301,405 )	( 8,336,860 )	( 8,825,630 )
Effects due to changes in exchange rate		( 85,255 )	( 2,358,179 )	( 4,167,666 )
Net (decrease) increase in cash and cash equivalents		( 320,207 )	( 8,856,932 )	14,751,984
Cash and cash equivalents at beginning of year		2,122,631	58,711,985	43,960,001
Cash and cash equivalents at end of year		\$ 1,802,424	\$ 49,855,053	\$ 58,711,985

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, 2021 AND 2020  
(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 authorized for issuance by the Board of Directors on February 24, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendments to IFRS 16, ‘Covid-19-related Rent concessions beyond June 30, 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the 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 2022 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 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.

(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 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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the 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, 2021	December 31, 2020	
1	Delta Electronics, Inc.	Delta International Holding Limited B.V. (DIH)	Equity investments	100	100	Note 21
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	Note 1
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, 2021	December 31, 2020	
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 America Ltd. (DAL)	Equity investments	100	100	
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	
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	Note 2
17	DEN	Delta Greentech SGP Pte. Ltd. (DGSG)	Equity investments	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
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	Note 2
21	"	Galaxy Star Investment (HK) Limited (Galaxy Star-HK)	"	-	100	Note 23
22	"	Jade Investment (HK) Limited (Jade-HK)	"	-	100	Note 3
23	DHK	Delta Electronics (Dongguan) Co., Ltd. (DDG)	Manufacturing and sales of transformer and thermal products	100	100	Note 18
24	"	Delta Electronics Power (Dongguan) Co., Ltd. (DEP)	Manufacturing and sales of power supplies	-	100	Note 18
25	"	Delta Electronics (Shanghai) Co., Ltd. (DPEC)	Product design, management consulting service and distribution of electronic products	100	100	
26	"	Delta Electronics (Jiangsu) Ltd. (DWJ)	Manufacturing and sales of power supplies and transformers	100	100	Note 4
27	"	Delta Electronics Components (Wujiang) Ltd. (DWC)	Manufacturing and sales of new-type electronic components, variable-frequency drive and others	-	100	Note 4
28	"	Delta Video Display System (Wujiang) Ltd. (DWV)	Manufacturing and sales of various projectors	-	100	Note 4

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
29	DHK	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)	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	100	100	Note 16
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	
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	



No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
36	DEJ	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	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	
39	DNH	Delta Networks, Inc. (DNI Cayman)	Equity investments	100	100	
40	DNI Cayman	Delta Networks (HK) Limited (DNHK)	"	100	100	
41	DHK and 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	Note 28
42	Cyntec	Fairview Assets Ltd. (Fairview)	Equity investments	100	100	
43	Fairview	Grandview Holding Ltd. (Grandview)	"	100	100	
44	Grandview	CYNTEC HOLDING (HK) LIMITED (CHK)	"	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
45	Grandview	Cyntec International Ltd. (CIL-Labuan)	Trading	100	100	
46	CHK	Cyntec Electronics (Suzhou) Co., Ltd. (CES)	Research, development, manufacturing and processing of new-type electronic components (chip components, sensing elements, hybrid integrated circuits) and molding as well as processing of semi-finished alloy steel powder; sales of self-produced products and wholesale, import and export of products similar to the Company's products	100	100	
47	DelBio	DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	100	100	
48	DIH	ELTEK AS	Research, development and sales of power supplies and others	100	100	
49	"	Delta Controls Inc. (DCI)	Provide solutions to building management and control	100	100	
50	"	DELTA ELECTRONICS HOLDING (USA) INC.	Equity investments	100	100	
51	ELTEK AS	ELTEK PAKISTAN (PRIVATE) LIMITED	Sales of power supplies and others	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
52	ELTEK AS	Eltek Deutschland GmbH	Sales of power supplies and others and system installation	100	100	
53	Delta Energy Systems (Singapore) PTE. LTD. / ELTEK AS	Delta Electronics (Australia) Pty Ltd	"	100	100	Note 5
54	ELTEK AS	Eltek Egypt for Power Supply S.A.E.	Sales of power supplies and others	95	95	
55	"	Eltek SGS Pvt Ltd.	Sales of power supplies and others and system installation	100	100	
56	ELTEK AS and Eltek SGS Pvt Ltd.	Eltek SGS Mechanics Pvt Ltd.	Sales of power supplies and others	51	51	
57	Delta Electronics (Poland) Sp. z o. o. / ELTEK AS	Eltek Polska Sp. z o. o. (Eltek Polska)	"	-	100	Note 6
58	ELTEK AS	ELTEK POWER FRANCE SAS	"	100	100	Note 13
59	"	ELTEK LIMITED	Equity investments and trading	-	100	Note 24
60	"	ELTEK MEA DMCC	Sales of power supplies and others	100	100	
61	ELTEK MEA DMCC and ELTEK AS	ELTEK KENYA LIMITED	Sales of power supplies	100	100	
62	"	ELTEK WEST AFRICA LIMITED	"	100	100	
63	ELTEK AS	Eltek Italia S.r.l.	Sales of power supplies and others	100	100	
64	"	Delta Electronics (Sweden) AB	"	100	100	Note 7 Note 14

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
65	ELTEK AS	Eltek Power (UK) Ltd.	Sales of power supplies and others	100	100	
66	Delta Solutions (Finland) Oy / ELTEK AS	Eltek Power Oy	"	-	100	Note 8
67	ELTEK AS	OOO Eltek	Sales of power supplies and others and system installation	100	100	
68	Eltek Deutschland GmbH	Eltek Montage GmbH	Installation and maintenance of power supplies	100	100	
69	DEIL-SG	ELTEK POWER INCORPORATED	Sales of power supplies and others	100	100	
70	"	ELTEK POWER CO., LTD.	"	100	100	Note 9
71	"	ELTEK POWER (CAMBODIA) LTD.	"	100	100	
72	"	ELTEK POWER (MALAYSIA) SDN. BHD.	"	100	100	Note 10
73	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	Note 25
74	DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (USA) INC.	Manufacturing and sales of power supplies	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
75	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (ARGENTINA) S.R.L.	Sales of power supplies and others	100	100	
76	DEN and DELTA ELECTRONICS (USA) INC.	Eltek Sistemas de Energia Industrial e Comercio S.A.	Manufacturing and sales of power supplies	100	100	
77	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	DELTA ELECTRONICS (PERU) INC. S.R.L.	Sales of power supplies and others	100	100	
78	DELTA ELECTRONICS (USA) INC.	DELTA ELECTRONICS (COLOMBIA) S.A.S.	"	100	100	
79	DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenergy Services, S.A. de C.V.	"	100	100	
80	DHK and DIH/DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDING (USA) INC.	Eltekenergy International de México, S. de R.L. de C.V.	"	100	100	Note 26
81	DAL	Delta Electronics (Americas) Ltd.	Sales of electronic components	100	100	
82	"	Delta Solar Solutions LLC	Equity investments	100	100	
83	Delta Solar Solutions LLC	DSS-CI LLC	Rental of solar power systems	-	100	Note 19

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
84	Delta Solar Solutions LLC	DSS-USF LLC	Rental of solar power systems	100	100	
85	Cyntec	Power Forest Technology Corporation (Power Forest)	IC design of power management	100	100	
86	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	
87	DEIL-SG	Loy Tec electronics GmbH (Loy Tec)	Consulting service of building management and control solutions	100	100	
88	DHK	Delta Electronics (Beijing) Co., Ltd.	Installation of mechanic, electronic, telecommunication and circuit equipment	100	100	
89	"	Delta Electronics (Xi'an) Co., Ltd.	Sales of computers, peripherals and software	100	100	
90	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 11
91	DEN/DEN and Delta Greentech (Netherlands) B.V.	Delta Greentech Electronics Industry LLC	Marketing and sales of electronic products	100	100	Note 12
92	DEN and Delta Electronics (USA) INC.	Delta Greentech (Brasil) S.A. (DGB)	Manufacturing and sales of electronic products	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
93	DECH	Delta Electronics (Czech Republic), spol. s.r.o.	Sales of electronic products	100	100	
94	"	Delta Electronics (Italy) S.r.l.	"	100	100	
95	"	Delta Electronics (Poland) Sp. z o.o.	"	100	100	
96	"	Delta Solutions (Finland) Oy	"	100	100	Note 8
97	"	Delta Electronics Solutions (Spain) SL	"	100	100	
98	ELTEK POWER FRANCE SAS / DECH	Delta Electronics (France) SA	"	-	100	Note 13
99	Delta Electronics (Sweden) AB/DECH	Delta Energy Systems (Sweden) AB	"	-	100	Note 14
100	Delta Electronics, Inc.	Vivotek Inc. (Vivotek)	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	55.09	52.65	
101	Vivotek and Realwin	Vatics Inc.	Designing and sales of multimedia integrated circuits	-	54.41	Note 17
102	Vivotek	Vivotek Holdings, Inc.	Holding company	100	100	
103	"	Realwin Investment Inc. (Realwin)	A venture capital company	100	100	
104	"	Vivotek Netherlands B.V.	Sales service	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
105	Vivotek	Vivotek (Japan) Inc.	Sales service	100	100	
106	Vivotek Holdings, Inc.	Vivotek USA, Inc.	Sales of webcams and related components	100	100	
107	Realwin	Wellstates Investment, LLC	Investment and commercial lease of real estate	100	100	
108	Vivotek	Otus Imaging, Inc.	Sales of webcams and related components	100	100	
109	Realwin	Aetek Inc.	"	56.21	56.21	
110	"	Vivotek Middle East FZCO	"	-	89.99	Note 22
111	"	Lidlight Inc.	Sales of lighting equipment	51	51	
112	DEN	DELTA ELECTRONICS BRASIL LTDA.	Manufacturing and sales of electronic products	100	100	
113	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	
114	DET	DET International Holding Limited	Equity investments	100	100	
115	"	Delta Energy Systems (Singapore) PTE. LTD.	Equity investments, trading, management and consultancy	100	100	



No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
116	DET	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	
117	"	Delta Electronics (Vietnam) Company Limited	Sales of electronic products	100	100	Note 16
118	DET and Delta Energy Systems (Singapore) PTE. LTD.	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Manufacturing and sales of electronic products	100	-	Note 15
119	DET International Holding Limited	DET Logistics (USA) Corporation	Providing logistics services in USA	100	100	
120	"	Delta Energy Systems (Germany) GmbH	Development, marketing and sales of electronic products	100	100	
121	"	Delta Energy Systems (India) Private Ltd.	Marketing and sales of electronic products	100	100	
122	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	
123	DET International Holding Limited	Delta Energy Systems (Romania) S.R.L.	Research and development	100	100	
124	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Property rights business	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
125	Delta Energy Systems (Singapore) PTE. LTD.	Delta Electronics (Holdings) Australia Pty Ltd	Marketing and sales of renewable energy products	100	100	Note 20
126	"	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	
127	"	Delta Electronics (Myanmar) Co., Ltd.	Manufacturing of electronic products used in CMP manufacturing process and machinery	100	100	
128	"	Delta Energy Systems (UK) Ltd.	Research and development of electronic products	100	100	
129	"	Delta PBA Engineering Solutions Co., Ltd.	Providing solutions for industrial automation	-	51	Note 23
130	"	Delta Greentech (Netherlands) Cooperatie U.A.	Equity investments	100	100	
131	Delta Greentech (Netherlands) Cooperatie U.A.	Delta Greentech (Netherlands) B.V.	"	100	100	
132	Delta Greentech (Netherlands) B.V.	Delta Energy Systems LLC	Marketing and sales of power systems	100	100	
133	"	Eltek s.r.o.	Manufacturing of telecom power system	100	100	

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
134	Delta Greentech (Netherlands) B.V.	Delta Electronics (Automotive) Americas Inc.	Research and development of automotive power and traction inverter	100	100	
135	DEN	Amerlux, LLC (Amerlux)	Design and production of dedicated lighting system and facilities	100	100	
136	Amerlux	Amerlux Lighting Asia, LLC	Equity investments	100	100	
137	Amerlux Lighting Asia, LLC	Amerlux Lighting Hong Kong Limited	"	100	100	
138	Amerlux Lighting Hong Kong Limited	Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	100	100	
139	DIH	Digital Projection International Ltd. (DPI)	Equity investments	100	100	
140	DPI	Digital Projection Holdings Ltd.	"	100	100	
141	Digital Projection Holdings Ltd.	Digital Projection Ltd.	Research, development and sales of projector products	100	100	
142	Digital Projection Ltd.	Digital Projection Inc.	Sales of projector products	100	100	
143	DEN	Trihedral Engineering Limited (Trihedral)	Graphic control software and related engineering services	100	100	Note 16
144	Trihedral	Trihedral Inc.	"	100	100	Note 16
145	"	Trihedral UK Limited	"	100	100	Note 16
146	DIH	March Networks Holdings Ltd.	Equity investments	100	-	Note 15 Note 27

No.	Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
				December 31, 2021	December 31, 2020	
147	March Networks Holdings Ltd.	March Networks Corporation	Security surveillance software and hardware and related engineering services	100	-	Note 15
148	March Networks Corporation	March Networks, Inc.	"	100	-	Note 15
149	"	March Networks de Mexico, S.A.de C.V.	"	100	-	Note 15
150	"	March Networks (Australia) Pty Limited	"	100	-	Note 15
151	"	March Networks Limited	"	100	-	Note 15
152	"	March Networks (Singapore) Pte. Limited	"	100	-	Note 15
153	"	March Networks B.V.	"	100	-	Note 15
154	March Networks B.V.	March Networks S.r.l.	"	100	-	Note 15
155	"	March Networks (France) SAS	"	100	-	Note 15

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 was completed in March 2021.

Note 2: This company had been liquidated in April 2021.

Note 3: This company had been liquidated in March 2021.

Note 4: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. After the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.

Note 5: In October 2020, ELTEK AS sold ELTEK AUSTRALIA PTY LIMITED to Delta Energy

Systems (Singapore) Pte. Ltd. and was renamed as Delta Electronics (Australia) Pty Ltd. in April 2021.

- Note 6: In December 2020, ELTEK AS sold Eltek Polska Sp.z o.o. (Eltek Polska) to Delta Electronics (Poland) Sp.z o.o. In addition, Eltek Polska merged with Delta Electronics (Poland) Sp.z o.o. in July 2021, with Eltek Polska as the dissolved company and Electronics (Poland) Sp.z o. o. as the surviving company.
- Note 7: Formerly named Eltek Power Sweden AB and was renamed as Delta Electronics (Sweden) AB in November 2020.
- Note 8: In October 2020, ELTEK AS sold Eltek Power Oy to Delta Solutions (Finland) Oy, and Eltek Power Oy merged into Delta Solutions (Finland) Oy in February 2021. After the merger, Delta Solutions (Finland) Oy was the surviving company while Eltek Power Oy was the dissolved company.
- Note 9: 55% of shares are held through others due to local regulations.
- Note 10: 71% of shares are held through others due to local regulations.
- Note 11: In October 2020, DIH acquired 49% equity interest in DECH from Delta Greentech (Netherlands) B.V., and the total shareholding ratio is 100%.
- Note 12: 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 13: In November 2020, DECH sold Delta Electronics (France) SA to ELTEK POWER FRANCE SAS. Subsequently, Delta Electronics (France) SA merged with ELTEK POWER FRANCE SAS on April 1, 2021. After the merger, ELTEK POWER FRANCE SAS was the surviving company and Delta Electronics (France) SA was the dissolved company.
- Note 14: In October 2020, DECH sold Delta Energy Systems (Sweden) AB to Eltek Power Sweden AB (renamed in November 2020, please refer to Note 7 for details.). Subsequently, Delta Energy Systems (Sweden) AB merged with Delta Electronics (Sweden) AB in January 2021, with Delta Electronics (Sweden) AB as the surviving company and Delta Energy Systems (Sweden) AB as the dissolved company.
- Note 15: The company was established or acquired through merger during 2021.
- Note 16: The company was established or acquired through merger during 2020.
- Note 17: The Cayman company, Kneron Holding Corporation (“Kneron”), plans to acquire all of the issued shares of Vatics Inc. in cash from Vatics Inc.’s original shareholders and the shareholders have approved the share conversion at their meeting on March 25, 2021. The share conversion was approved by the Competent Authority and the effective date was set on June 30, 2021. After the share conversion, Vatics became a wholly-owned subsidiary of Kneron, and the Group lost control over the subsidiary (please refer to

Notes 6, (32)).

Note 18: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

Note 19: This company had been liquidated in June 2021.

Note 20: Formerly named Delta Electronics (Australia) Pty. Ltd. and was renamed as Delta Electronics (Holdings) Australia Pty Ltd in April 2021.

Note 21: Formerly named Delta International Holding Limited and was renamed as Delta International Holding Limited B.V. in June 2021.

Note 22: This company had been liquidated in August 2021.

Note 23: This company had been liquidated in September 2021.

Note 24: This company had been liquidated in October 2021.

Note 25: This company had been liquidated in December 2021.

Note 26: In December 2021, DELTA ELECTRONICS (USA) INC. and DELTA ELECTRONICS HOLDINGS (USA) INC. sold Eltekenenergy International de Mexico, S. de R.L. de C.V. to DHK and DIH.

Note 27: Formerly named Infinova (Canada) Limited and was renamed as March Networks Holdings Ltd. in December 2021.

Note 28: In December 2021, Delta Electronics (H.K.) Ltd. acquired 51% equity interest in Delta Networks (Dongguan) Ltd. from Delta Networks (HK) Limited.

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, 2021 and 2020, the non-controlling interest amounted to \$31,338,136 and \$32,690,303, 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, 2021		December 31, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)
Vivotek Inc. (Vivotek)	Taiwan	\$ 3,375,410	44.91%	\$ 3,618,610	47.35%
Delta Electronics (Thailand) Public Company limited (DET)	Thailand	27,727,893	36.22%	28,697,265	36.22%

Summarised financial information of the subsidiary:

Balance sheet

	DET	
	December 31, 2021	December 31, 2020
Current assets	\$ 40,474,496	\$ 39,887,645
Non-current assets	59,264,879	58,101,498
Current liabilities	( 20,530,658)	( 16,133,275)
Non-current liabilities	( 2,654,621)	( 2,293,690)
Total net assets	<u>\$ 76,554,096</u>	<u>\$ 79,562,178</u>

	Vivotek	
	December 31, 2021	December 31, 2020
Current assets	\$ 3,919,997	\$ 3,377,240
Non-current assets	5,987,406	6,112,662
Current liabilities	( 2,050,183)	( 1,474,665)
Non-current liabilities	( 341,276)	( 372,977)
Total net assets	<u>\$ 7,515,944</u>	<u>\$ 7,642,260</u>

Statement of comprehensive income

	DET	
	Years ended December 31,	
	2021	2020
Revenue	\$ 73,430,330	\$ 59,201,254
Profit before income tax	4,497,456	5,296,072
Income tax expense	( 85,104)	( 194,453)
Profit for the year from continuing operations	4,412,352	5,101,619
Other comprehensive income, net of tax	1,053,676	76,398
Total comprehensive income for the year	<u>\$ 5,466,028</u>	<u>\$ 5,178,017</u>
Comprehensive income attributable to non-controlling interest	\$ 2,494,179	\$ 1,885,272
Dividends paid to non-controlling interest	<u>\$ 1,364,066</u>	<u>\$ 767,376</u>

	Vivotek	
	Years ended December 31,	
	2021	2020
Revenue	\$ 5,451,605	\$ 5,544,433
Profit before income tax	20,239	88,666
Income tax expense	4,734	( 55,329)
Profit for the year from continuing operations	24,973	33,337
Other comprehensive loss, net of tax	( 10,334)	( 17,700)
Total comprehensive income for the year	<u>\$ 14,639</u>	<u>\$ 15,637</u>
Comprehensive income (loss) attributable to non-controlling interest	\$ 14,557	(\$ 2,513)
Dividends paid to non-controlling interest	<u>\$ 80,387</u>	<u>\$ 108,073</u>

#### Statements of cash flows

	DET	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 1,552,073	\$ 6,774,586
Net cash used in investing activities	( 6,698,331)	( 3,380,819)
Net cash used in financing activities	( 1,942,652)	( 2,182,722)
Effect of exchange rates on cash and cash equivalents	( 500,074)	( 793,745)
(Decrease) increase in cash and cash equivalents	( 7,588,984)	417,300
Cash and cash equivalents, beginning of year	13,043,385	12,626,085
Cash and cash equivalents, end of year	<u>\$ 5,454,401</u>	<u>\$ 13,043,385</u>

	Vivotek	
	Years ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 121,766	\$ 501,406
Net cash used in investing activities	( 312,227)	( 26,421)
Net cash used in financing activities	( 226,110)	( 56,787)
Effect of exchange rates on cash and cash equivalents	( 13,545)	( 16,397)
(Decrease) increase in cash and cash equivalents	( 430,116)	401,801
Cash and cash equivalents, beginning of year	1,425,014	1,023,213
Cash and cash equivalents, end of year	<u>\$ 994,898</u>	<u>\$ 1,425,014</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) Financial assets at amortised cost

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

(10) 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.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the 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.

(12) 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.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity); however, borrowing costs are excluded. 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.

(14) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) 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.

(16) 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.

(17) 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.
- 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.

(18) 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.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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 has designated its hedging relationship as the hedge of a net investment in a foreign operation.

C. Hedge of a net investment in a foreign operation.

(a) The foreign currency translation 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 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.

(29) 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.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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. 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.

(35) 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.

(36) 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.

(37) 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(11) for the information on goodwill impairment.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 4,840	\$ 5,437
Checking accounts and demand deposits	39,392,615	44,121,426
Time deposits	10,422,695	14,446,742
Cash equivalents	34,903	138,380
	<u>\$ 49,855,053</u>	<u>\$ 58,711,985</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, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 506,938	\$ 446,452
Derivatives	125,070	290,505
Hybrid instrument-Convertible bonds	28,015	47,827
	<u>660,023</u>	<u>784,784</u>
Valuation adjustment	425,706	276,559
	<u>\$ 1,085,729</u>	<u>\$ 1,061,343</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 314,543	\$ 368,048
Emerging stocks	308,300	289,600
Unlisted stocks	1,568,229	1,572,384
Convertible preferred stocks	197,148	-
Hybrid instrument-Convertible bonds	900,000	974,983
	<u>3,288,220</u>	<u>3,205,015</u>
Valuation adjustment	63,578	(262,819)
	<u>\$ 3,351,798</u>	<u>\$ 2,942,196</u>
<u>Liability Items</u>		
Current items:		
Financial liabilities held for trading		
Derivatives	\$ 41,371	\$ 60,060

A. The Group has recognised the gain from financial assets and liabilities at fair value of \$573,145 and \$71,489 for the years ended December 31, 2021 and 2020, respectively.

B. Details 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:

December 31, 2021			
Financial instruments	Contract amount (nominal principal) (in thousands)		Contract period
Forward exchange contracts:			
- Sell AUD / Buy USD	AUD	3,150	2021.08.25~2022.06.02
- Sell BRL / Buy USD	BRL	17,161	2021.12.02~2022.02.07
- Sell EUR / Buy CAD	EUR	1,716	2021.12.17~2022.06.21
- Sell EUR / Buy NOK	EUR	26,200	2021.08.16~2022.06.30
- Sell EUR / Buy USD	EUR	46,000	2021.07.28~2022.07.05
- Sell GBP / Buy EUR	GBP	852	2021.12.15~2022.03.07
- Sell GBP / Buy NOK	GBP	2,500	2021.10.22~2022.02.07
- Sell HKD / Buy USD	HKD	60,000	2021.07.28~2022.06.02
- Sell INR / Buy USD	INR	753,465	2021.11.09~2022.02.28
- Sell JPY / Buy USD	JPY	1,367,566	2021.08.17~2022.04.21
- Sell THB / Buy JPY	THB	26,446	2021.11.22~2022.02.25
- Sell TWD / Buy USD	TWD	3,310,410	2021.07.21~2022.06.21
- Sell USD / Buy CHF	USD	2,000	2021.11.15~2022.02.25
- Sell USD / Buy CZK	USD	400	2021.12.17~2022.01.20
- Sell USD / Buy JPY	USD	3,800	2021.11.17~2022.01.25
- Sell USD / Buy NOK	USD	3,000	2021.11.29~2022.02.28
- Sell USD / Buy PEN	USD	1,500	2021.12.08~2022.02.07
- Sell USD / Buy RMB	USD	294,278	2021.09.22~2022.04.08
- Sell USD / Buy SGD	USD	23,264	2021.08.04~2022.07.05
- Sell USD / Buy THB	USD	173,500	2021.09.16~2022.04.20
- Sell USD / Buy TWD	USD	5,100	2021.11.04~2022.01.17
Cross currency swap:			
- Sell EUR / Buy NOK	EUR	4,000	2021.12.17~2022.06.30
- Sell PLN / Buy NOK	PLN	14,600	2021.12.21~2022.06.30
- Sell SEK / Buy NOK	SEK	20,000	2021.12.21~2022.06.30



December 31, 2020

Financial instruments	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

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 within the Group. 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, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	754,546	672,828
	2,363,245	2,281,527
Valuation adjustment	( 775,402)	( 353,844)
	<u>\$ 1,587,843</u>	<u>\$ 1,927,683</u>



- 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 \$1,587,843 and \$1,927,683 as at December 31, 2021 and 2020, respectively.
- B. For the year ended December 31, 2020, the Group sold listed stocks whose fair value was \$501,867, to adjust the stock position, resulting to a loss on disposal of \$1,754,186.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 422,509)	\$ 326,268
Cumulative loss reclassified to retained earnings due to derecognition	\$ -	(\$ 1,754,186)

- D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,587,843 and \$1,927,683, 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, 2021 and 2020, 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 in profit or loss and other comprehensive income:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Other equity</u>		
At January 1	\$ 130,616	\$ 147,256
Add: Loss on hedge effectiveness-amount recognised in other comprehensive income	( 699)	( 16,640)
At December 31	<u>\$ 129,917</u>	<u>\$ 130,616</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, 2021 and 2020 are recycled into profit or loss in the period or periods when the hedged item affects profit or loss.

(b) 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, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 3,420,633	\$ 3,733,595
Accounts receivable	\$ 67,786,921	\$ 59,684,699
Less: Allowance for uncollectible accounts	( 350,544)	( 507,266)
	<u>\$ 67,436,377</u>	<u>\$ 59,177,433</u>
Overdue receivables (shown as other non-current assets)	\$ 313,298	\$ 354,282
Less: Allowance for uncollectible accounts	( 313,298)	( 354,282)
	<u>\$ -</u>	<u>\$ -</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 60,175,037	\$ 53,883,754
1 to 90 days	7,029,700	4,956,368
91 to 180 days	268,016	367,326
181 to 365 days	151,223	139,939
Over 366 days	162,945	337,312
	<u>\$ 67,786,921</u>	<u>\$ 59,684,699</u>

The above aging analysis was based on past due date.

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

C. As at December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. As at January 1, 2020, the balance of receivables from contracts with customers amounted to \$56,771,734.

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

E. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Group's notes receivable were \$3,420,633 and \$3,733,595, and accounts receivable were \$67,436,377 and \$59,177,433, 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, 2021 and 2020, the relevant information on unsettled accounts receivable that were sold is set forth below:

December 31, 2021						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 42,219	\$ 42,219	\$ 276,600	\$ -	\$ -	-

December 31, 2020						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities</u>	<u>Amount advanced</u>	<u>Amount available for advance</u>	<u>Interest rate of amount advanced</u>
Taishin International Bank	\$ 14,300	\$ -	\$ 280,950	\$ -	\$ -	-

(7) Inventories

	December 31, 2021		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 31,146,737	(\$ 4,257,316)	\$ 26,889,421
Work in process	6,874,478	( 10,754)	6,863,724
Finished goods	35,428,828	( 3,864,244)	31,564,584
Inventory in transit	789,622	-	789,622
	<u>\$ 74,239,665</u>	<u>(\$ 8,132,314)</u>	<u>\$ 66,107,351</u>

	December 31, 2020		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
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>

A. On August 30, 2021, the Group's subsidiary experienced flooding in its Thailand plant. The flood has caused damage to the inventories with carrying value of \$277,309. The Group had already recognised the related losses which were classified as 'other gains and losses – casualty loss'. Please refer to Note 6(24) for more information.

B. The cost of inventories recognised as expense or loss for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 217,851,044	\$ 190,732,108
Loss on market value decline and obsolete and slow-moving inventories	2,462,425	502,171
Others	( 885,759)	( 654,512)
	<u>\$ 219,427,710</u>	<u>\$ 190,579,767</u>

(8) Investments accounted for under the equity method

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

	December 31, 2021		December 31, 2020	
	Ownership %	Book value	Ownership %	Book value
Associates:				
Optovue, Inc.	-	\$ -	29.50	\$ 728,129
Others		63,731		56,873
		<u>\$ 63,731</u>		<u>\$ 785,002</u>

B. 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, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$63,731 and \$785,002, respectively.

	Years ended December 31,	
	2021	2020
Loss for the year from continuing operations	(\$ 262)	(\$ 59,596)
Other comprehensive income, net of tax	329	55,073
Total comprehensive income (loss)	<u>\$ 67</u>	<u>(\$ 4,523)</u>

C. The Group is the single largest shareholder of Optovue, Inc. by June 30, 2021, 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, 2021</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	( 11,704)	( 21,744,675)	( 33,043,800)	( 14,919,634)	( 16,009,220)	-	( 85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>
<u>2021</u>							
Opening net book amount	\$ 14,256,154	\$ 22,459,744	\$ 13,471,293	\$ 3,835,655	\$ 3,826,981	\$ 10,592,148	\$ 68,441,975
Additions	1,052,704	1,298,874	8,596,865	2,215,843	2,642,300	7,158,609	22,965,195
Acquired through business combinations	-	-	25,602	548	17,129	1,530	44,809
Effect on decrease in business entities	-	-	-	( 378)	( 2,830)	-	( 3,208)
Disposals	( 200)	( 13,020)	( 161,734)	( 31,865)	( 69,078)	-	( 275,897)
Transfers (Note)	-	6,621,321	1,621,137	354,495	292,969	( 9,210,473)	( 320,551)
Depreciation charge	-	( 1,902,917)	( 6,353,596)	( 2,269,942)	( 2,330,744)	-	( 12,857,199)
Impairment loss	-	-	-	-	( 11,407)	-	( 11,407)
Net exchange differences	( 179,770)	( 356,896)	( 324,416)	( 71,913)	( 166,528)	( 276,909)	( 1,376,432)
Closing net book amount	<u>\$ 15,128,888</u>	<u>\$ 28,107,106</u>	<u>\$ 16,875,151</u>	<u>\$ 4,032,443</u>	<u>\$ 4,198,792</u>	<u>\$ 8,264,905</u>	<u>\$ 76,607,285</u>
<u>At December 31, 2021</u>							
Cost	\$ 15,139,283	\$ 51,485,311	\$ 52,261,356	\$ 19,872,926	\$ 21,356,997	\$ 8,264,905	\$ 168,380,778
Accumulated depreciation and impairment	( 10,395)	( 23,378,205)	( 35,386,205)	( 15,840,483)	( 17,158,205)	-	( 91,773,493)
	<u>\$ 15,128,888</u>	<u>\$ 28,107,106</u>	<u>\$ 16,875,151</u>	<u>\$ 4,032,443</u>	<u>\$ 4,198,792</u>	<u>\$ 8,264,905</u>	<u>\$ 76,607,285</u>

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

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 14,365,775	\$ 43,455,591	\$ 43,103,641	\$ 17,246,547	\$ 19,083,533	\$ 5,740,443	\$ 142,995,530
Accumulated depreciation and impairment	( 11,919)	( 20,256,373)	( 30,637,055)	( 13,726,976)	( 14,772,226)	-	( 79,404,549)
	<u>\$ 14,353,856</u>	<u>\$ 23,199,218</u>	<u>\$ 12,466,586</u>	<u>\$ 3,519,571</u>	<u>\$ 4,311,307</u>	<u>\$ 5,740,443</u>	<u>\$ 63,590,981</u>
<u>2020</u>							
Opening net book amount	\$ 14,353,856	\$ 23,199,218	\$ 12,466,586	\$ 3,519,571	\$ 4,311,307	\$ 5,740,443	\$ 63,590,981
Additions	102,384	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
Disposals	( 9,079)	( 24,193)	( 125,441)	( 74,671)	( 31,625)	-	( 265,009)
Transfers	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	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>
<u>At December 31, 2020</u>							
Cost	\$ 14,267,858	\$ 44,204,419	\$ 46,515,093	\$ 18,755,289	\$ 19,836,201	\$ 10,592,148	\$ 154,171,008
Accumulated depreciation and impairment	( 11,704)	( 21,744,675)	( 33,043,800)	( 14,919,634)	( 16,009,220)	-	( 85,729,033)
	<u>\$ 14,256,154</u>	<u>\$ 22,459,744</u>	<u>\$ 13,471,293</u>	<u>\$ 3,835,655</u>	<u>\$ 3,826,981</u>	<u>\$ 10,592,148</u>	<u>\$ 68,441,975</u>

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, 2021</u>	<u>December 31, 2020</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,635,431	\$ 1,602,097
Buildings and structures	1,256,400	1,323,106
Transportation equipment	90,036	71,012
Other equipment	25,093	24,531
	<u>\$ 3,006,960</u>	<u>\$ 3,020,746</u>

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 48,200	\$ 47,402
Buildings and structures	481,818	504,582
Transportation equipment	71,937	78,484
Other equipment	8,247	9,923
	<u>\$ 610,202</u>	<u>\$ 640,391</u>

- C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets (excluding those acquired through business combinations) were \$437,500 and \$459,434, respectively.
- D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 19,550	\$ 23,970
Expense on short-term lease contracts	<u>\$ 546,219</u>	<u>\$ 474,400</u>

- E. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$1,107,537 and \$1,015,450, 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) Intangible assets

	Trademarks		Patents		Goodwill		Customer Relationship		Technical Skill		Total
<u>At January 1, 2021</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>				
<u>2021</u>											
Opening net book amount	\$ 2,763,553	\$ 472,382	\$ 53,499,792	\$ 9,241,185	\$ 8,313,791	\$ 1,168,927	\$ 75,459,630				
Additions - acquired separately	1,510	12,430	-	-	8,742	1,278,296	1,300,978				
Additions - acquired through business combinations (Note 1)	171,804	-	741,321	854,392	-	6,010	1,773,527				
Effect on decrease in business entities	-	-	-	-	21,015	( 63,160)	( 42,145)				
Reclassifications (Note 1)	-	-	137,896	( 25,631)	( 112,265)	-	-				
Amortisation	( 237,513)	( 135,296)	-	( 1,364,721)	( 1,092,556)	( 853,816)	( 3,683,902)				
Impairment loss (Note 2)	-	( 153,493)	-	-	-	-	( 153,493)				
Net exchange differences	( 24,666)	( 8,816)	( 743,243)	( 132,786)	( 114,277)	( 21,243)	( 1,045,031)				
Closing net book amount	<u>\$ 2,674,688</u>	<u>\$ 187,207</u>	<u>\$ 53,635,766</u>	<u>\$ 8,572,439</u>	<u>\$ 7,024,450</u>	<u>\$ 1,515,014</u>	<u>\$ 73,609,564</u>				
<u>At December 31, 2021</u>											
Cost	\$ 4,072,330	\$ 1,590,408	\$ 54,420,933	\$ 18,089,972	\$ 11,152,791	\$ 5,241,533	\$ 94,567,967				
Accumulated amortisation and impairment	( 1,397,642)	( 1,403,201)	( 785,167)	( 9,517,533)	( 4,128,341)	( 3,726,519)	( 20,958,403)				
	<u>\$ 2,674,688</u>	<u>\$ 187,207</u>	<u>\$ 53,635,766</u>	<u>\$ 8,572,439</u>	<u>\$ 7,024,450</u>	<u>\$ 1,515,014</u>	<u>\$ 73,609,564</u>				

(Note 1) The additions - acquired through business combinations and reclassifications resulted from the acquisition of March and the adjustment of the contingent proceeds and the reallocation of the purchase price relative to Trihedral. The allocation of Trihedral acquisition price was completed in the first quarter of 2021 and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

(Note 2) The impairment loss was recognised because the newly acquired patent has replaced the patent acquired in previous years, which was assessed to have no value.



	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>\$ 2,980,130</u>	<u>\$ 547,823</u>	<u>\$ 56,533,663</u>	<u>\$ 11,224,987</u>	<u>\$ 9,827,800</u>	<u>\$ 1,318,250</u>	<u>\$ 82,432,653</u>	
<u>2020</u>								
Opening net book amount	\$ 2,980,130	\$ 547,823	\$ 56,533,663	\$ 11,224,987	\$ 9,827,800	\$ 1,318,250	\$ 82,432,653	
Additions - acquired separately	-	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)	
Closing net book amount	<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.

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

	Years ended December 31,	
	2021	2020
Operating costs	\$ 57,507	\$ 52,763
Selling expenses	1,606,772	1,883,098
Administrative expenses	190,738	136,049
Research and development expenses	1,828,885	1,774,139
	<u>\$ 3,683,902</u>	<u>\$ 3,846,049</u>

B. The Group acquired registered or under-application trademark rights such as , , , , VIVITEK, 麗訊, ,  ELTEK, , ,  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, 2021	December 31, 2020
Goodwill:		
DET	\$ 32,888,000	\$ 33,405,219
Cyntec	5,146,053	5,146,053
Eltek	4,765,731	4,840,681
Vivotek	3,232,954	3,232,954
DCI	2,294,806	2,330,895
DGC	1,589,980	1,614,985
Others	3,718,242	2,929,005
	<u>\$ 53,635,766</u>	<u>\$ 53,499,792</u>
Trademarks:		
Automation business	\$ 862,750	\$ 691,811
Infrastructure business	386,823	386,823
	<u>\$ 1,249,573</u>	<u>\$ 1,078,634</u>

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

D. The Group's goodwill arose from business combinations 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.

In assessing the impairment of goodwill and trademarks with indefinite useful lives, for the goodwill of DET and Vivotek, the recoverable amount is the higher of the companies' fair value less costs of disposal and value in use (the fair value is classified as a level 2 fair value after the Group's assessment based on the closing price at the balance sheet date and considering premium, as the closing price is a transaction price without control in the centralized securities exchange market); for the goodwill and trademarks with indefinite useful lives of other companies, 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. The discount rate mainly used in estimating value-in-use of cash-generating units for the years ended December 31, 2021 and 2020 was 12.44% and 10.21%, respectively.

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% on December 31, 2020.

(12) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments for business facilities	\$ 1,240,243	\$ 846,839
Financial assets at amortised cost	218,130	187,257
Guarantee deposits paid	204,759	256,693
Cash surrender value of life insurance	35,934	43,512
Prepayments for long-term investments	27,953	81,059
Others	625,458	524,227
	<u>\$ 2,352,477</u>	<u>\$ 1,939,587</u>

(13) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank loans	\$ 4,397,362	\$ 2,001,532
Credit lines	\$ 69,465,481	\$ 69,185,543
Interest rate range	<u>0.40%~10.86%</u>	<u>0.39%~4.85%</u>

(14) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salary and bonus payable	\$ 19,698,972	\$ 17,957,602
Others	15,953,230	14,926,619
	<u>\$ 35,652,202</u>	<u>\$ 32,884,221</u>

(15) Long-term borrowings

Type of borrowings	December 31, 2021	December 31, 2020
Credit loans	\$ 43,624,897	\$ 39,008,242
Collateral loans	334,015	353,865
	43,958,912	39,362,107
Less: Current portion (shown as other current liabilities)	( 45,125)	( 48,117)
	\$ 43,913,787	\$ 39,313,990
Credit lines	\$ 83,302,210	\$ 83,362,621
Interest rate range	0.31%~6.23%	0.31%~6.23%

- A. As at December 31, 2021, the revolving loans of \$37,354,080 can be drawn down during the period from July 1, 2021 to December 7, 2023 and are payable before the due date under the agreement.
- 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, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 6,871,348)	(\$ 7,184,319)
Fair value of plan assets	<u>3,339,507</u>	<u>3,217,532</u>
Net defined benefit liability	<u>(\$ 3,531,841)</u>	<u>(\$ 3,966,787)</u>

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

	<u>2021</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1	(\$ 7,184,319)	\$ 3,217,532	(\$ 3,966,787)
Current service cost	( 109,173)	-	( 109,173)
Interest (expense) income	( 45,449)	11,438	( 34,011)
Past service cost	( 29,265)	-	( 29,265)
	<u>( 7,368,206)</u>	<u>3,228,970</u>	<u>( 4,139,236)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	72,589	72,589
Change in demographic assumptions	31,537	-	31,537
Change in financial assumptions	215,516	-	215,516
Experience adjustments	( 212,737)	-	( 212,737)
	<u>34,316</u>	<u>72,589</u>	<u>106,905</u>
Pension fund contribution	1,264	256,472	257,736
Paid pension	284,772	( 165,032)	119,740
Exchange difference	217,714	( 53,492)	164,222
Effect of business combination	( 41,208)	-	( 41,208)
Balance at December 31	<u>(\$ 6,871,348)</u>	<u>\$ 3,339,507</u>	<u>(\$ 3,531,841)</u>

	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>( \$ 7,184,319)</u>	<u>\$ 3,217,532</u>	<u>( \$ 3,966,787)</u>

- (d) 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, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2021	2020
Discount rate	0.44%~6.45%	0.18%~6.65%
Future salary increases	1.0%~8.5%	1.0%~9.0%

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:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%~1%	0.25%~1%	0.25%~2.75%	0.25%~2.75%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 234,078)	\$ 297,311	\$ 224,527	(\$ 164,425)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 288,249)	\$ 322,744	\$ 229,378	(\$ 213,586)

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.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$156,870.

(g) As at December 31, 2021, 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, 2021 and 2020 were \$524,003 and \$483,851, 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, 2021, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5 shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:
  - (a) Voting rights

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

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

Distribution of dividends, preemptive rights and other rights and interests of GDR units bear the same rights as common shares.
  - (d) After considering the stock dividend distribution year by year, as at December 31, 2021, there were 780 thousand units outstanding, representing 3,902 thousand common shares of the Company's common stock.

(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 not be 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 2020 and 2019 earnings had been approved by the shareholders during their meeting on July 19, 2021 and June 10, 2020, respectively. Details are summarised below:

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

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

Information about the appropriations of earnings as resolved at the meeting of shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

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

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

The aforementioned appropriations of 2021 earnings had not yet been resolved by the shareholders as of February 24, 2022.

(20) Non-controlling interest

	Years ended December 31,	
	2021	2020
At January 1	\$ 32,690,303	\$ 34,197,565
Share attributable to non-controlling interest:		
Profit for the year	1,702,931	1,899,108
Currency translation differences	( 1,424,222)	( 2,154,765)
Change in ownership interests in subsidiaries (Note)	( 166,370)	( 243,181)
Dividends paid to minority interest	( 1,464,506)	( 895,326)
Decrease in non-controlling interest	-	( 113,098)
At December 31	\$ 31,338,136	\$ 32,690,303

(Note) The change in ownership interests in subsidiaries is mainly due to the acquisition of additional equity interest in Vivotek, Power Forest and Eltek Polska during the years ended December 31, 2021 and 2020, respectively. Details are provided in Note 6(33).

(21) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	<u>\$ 314,670,796</u>	<u>\$ 282,605,493</u>

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, 2021				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	<u>\$ 187,316,910</u>	<u>\$ 45,881,397</u>	<u>\$ 81,079,663</u>	<u>\$ 392,826</u>	<u>\$ 314,670,796</u>
Timing of revenue recognition					
At a point in time	187,303,234	44,261,396	77,489,577	180,779	309,234,986
Over time	<u>13,676</u>	<u>1,620,001</u>	<u>3,590,086</u>	<u>212,047</u>	<u>5,435,810</u>
	<u>\$ 187,316,910</u>	<u>\$ 45,881,397</u>	<u>\$ 81,079,663</u>	<u>\$ 392,826</u>	<u>\$ 314,670,796</u>
	Year ended December 31, 2020				
	Power electronics	Automation	Infrastructure	Others	Total
Revenue from external customer contracts	<u>\$ 164,026,091</u>	<u>\$ 38,773,146</u>	<u>\$ 79,584,138</u>	<u>\$ 222,118</u>	<u>\$ 282,605,493</u>
Timing of revenue recognition					
At a point in time	164,021,485	35,658,814	74,371,990	95,365	274,147,654
Over time	<u>4,606</u>	<u>3,114,332</u>	<u>5,212,148</u>	<u>126,753</u>	<u>8,457,839</u>
	<u>\$ 164,026,091</u>	<u>\$ 38,773,146</u>	<u>\$ 79,584,138</u>	<u>\$ 222,118</u>	<u>\$ 282,605,493</u>

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,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	<u>\$ 5,012,589</u>	<u>\$ 3,352,208</u>

(22) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 428,123	\$ 541,816
Other interest income	1,520	2,331
	<u>\$ 429,643</u>	<u>\$ 544,147</u>

(23) Other income

	Years ended December 31,	
	2021	2020
Sample sales income	\$ 304,056	\$ 299,528
Dividend income	295,568	190,171
Mold fee income	134,307	142,251
Testing fee income	133,714	168,577
Rental income	111,818	133,521
Others	2,110,828	3,005,773
	<u>\$ 3,090,291</u>	<u>\$ 3,939,821</u>

(24) Other gains and losses

	Years ended December 31,	
	2021	2020
Loss on disposal of property, plant and equipment	(\$ 63,452)	(\$ 67,529)
Gain (loss) on disposal of investments (Note 1)	90,109	( 95,654)
Net currency exchange gain	1,203,355	399,073
Gain on financial assets/liabilities at fair value through profit or loss	573,145	71,489
Impairment loss	( 164,900)	( 801,712)
Casualty loss (Note 2)	( 329,493)	-
Miscellaneous disbursements	( 270,473)	( 704,723)
	<u>\$ 1,038,291</u>	<u>(\$ 1,199,056)</u>

(Note 1) Information on the Group's gain on disposal of investments for the year ended December 31, 2021 is provided in Note 6(32). For the year ended December 31, 2020, the Group recognised a gain (loss) as a result of measuring at fair value its 41% equity interest in DPI, held before the business combination. Please refer to Note 6(31) for more information.

(Note 2) On August 30, 2021, the Group's inventories and equipment were partially damaged due to the flooding in the Thailand plants. The carrying amounts of the related assets amounted to \$329,493, and the Group had already recognized related losses. As these assets were covered with insurance, the Group expects to receive 90% of the claims. However, the actual indemnification is pending for approval from the insurance company.

(25) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense	\$ 295,157	\$ 375,837

(26) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 66,808,915	\$ 60,812,227
Depreciation charges on property, plant and equipment	12,857,199	11,383,716
Depreciation charges on right-of-use assets	610,202	640,391
Amortisation charges on intangible assets	3,683,902	3,846,049
	<u>\$ 83,960,218</u>	<u>\$ 76,682,383</u>

(27) Employee benefit expense

	Years ended December 31,	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 922,423	\$ 902,005
Defined benefit plans	172,449	154,789
	<u>1,094,872</u>	<u>1,056,794</u>
Other employee benefits	65,714,043	59,755,433
	<u>\$ 66,808,915</u>	<u>\$ 60,812,227</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, 2021 and 2020, employees' compensation was accrued at \$3,179,902 and \$3,181,712, respectively; while directors' remuneration was accrued at \$67,904 and \$42,407, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$2,545,649 and directors' remuneration of \$44,600 for 2021 were resolved by the Board of Directors on February 24, 2022.

The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021. Employees' compensation and directors' remuneration as resolved by the Board of Directors were in agreement with the amounts recognised in the 2020 financial statements.

Information about employees' compensation and directors' remuneration of the Company as

resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 5,888,336	\$ 4,604,570
Effect from Alternative Minimum Tax	10,420	12,783
Prior year income tax overestimation	( 54,544)	( 97,295)
Tax on undistributed surplus earnings	-	245,558
Total current tax	5,844,212	4,765,616
Deferred tax:		
Origination and reversal of temporary differences	1,284,102	2,125,328
	<u>\$ 7,128,314</u>	<u>\$ 6,890,944</u>

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

	Years ended December 31,	
	2021	2020
Currency translation differences	(\$ 229,932)	(\$ 474,308)
Gain or loss on hedging instruments	( 78)	( 1,849)
Remeasurement of defined benefit plan	( 1,734)	( 13,838)
	<u>(\$ 231,744)</u>	<u>(\$ 489,995)</u>

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 9,821,134	\$ 11,843,633
Effects from items adjusted in accordance with tax regulations	( 1,645,311)	( 2,890,671)
Effect from investment tax credits	( 851,932)	( 2,046,961)
Effect from taxable loss	( 151,453)	( 176,103)
Prior year income tax overestimation	( 54,544)	( 97,295)
Effect from Alternative Minimum Tax	10,420	12,783
Tax on undistributed surplus earnings	-	245,558
Tax expenses	<u>\$ 7,128,314</u>	<u>\$ 6,890,944</u>

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

	2021					
	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	\$ 630,031	\$ 202,327	\$ -	\$ -	\$ -	\$ 832,358
Pension liability	469,162	( 34,341)	1,734	-	-	436,555
Assets impairment	13,287	( 6,072)	-	-	-	7,215
Depreciation difference between tax and financial basis	1,710,814	( 473,012)	-	-	-	1,237,802
Others	3,256,231	700,108	25,217	-	403,881	4,385,437
Tax losses	392,180	( 114,100)	-	-	-	278,080
	<u>6,471,705</u>	<u>274,910</u>	<u>26,951</u>	<u>-</u>	<u>403,881</u>	<u>7,177,447</u>
Deferred tax liabilities:						
- Temporary differences:						
Long-term equity investments	( 12,930,643)	( 1,226,526)	204,793	27,182	-	( 13,925,194)
Land value increment tax	( 119,862)	-	-	-	-	( 119,862)
Others	( 2,399,614)	( 332,486)	-	-	-	( 2,732,100)
	<u>( 15,450,119)</u>	<u>( 1,559,012)</u>	<u>204,793</u>	<u>27,182</u>	<u>-</u>	<u>( 16,777,156)</u>
	<u>(\$ 8,978,414)</u>	<u>(\$ 1,284,102)</u>	<u>\$ 231,744</u>	<u>\$ 27,182</u>	<u>\$ 403,881</u>	<u>(\$ 9,599,709)</u>

2020

	January 1	Recognised in other comprehensive income	Recognised in equity	Acquired through business combinations	December 31
<b>Deferred tax assets:</b>					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 784,315	\$ 154,284	\$ -	\$ -	\$ 630,031
Pension liability	498,322	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>13,838</u>	<u>-</u>	<u>-</u>	<u>6,471,705</u>
<b>Deferred tax liabilities:</b>					
- Temporary differences:					
Long-term equity investments	( 11,272,275)	( 2,120,865)	( 11,811)	-	( 12,930,643)
Land value increment tax	( 119,862)	-	-	-	( 119,862)
Others	( 2,616,724)	217,075	-	( 1,814)	( 2,399,614)
	<u>( 14,008,861)</u>	<u>476,157</u>	<u>( 11,811)</u>	<u>( 1,814)</u>	<u>( 15,450,119)</u>
	<u>(\$ 7,329,456)</u>	<u>\$ 489,995</u>	<u>(\$ 11,811)</u>	<u>(\$ 1,814)</u>	<u>(\$ 8,978,414)</u>



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

December 31, 2021				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2007-2021	\$ 2,161,027	\$ 2,161,027	\$ 2,084,801	2035
2010-2019	\$ 2,063,987	\$ 2,063,987	\$ 1,236,263	Indefinitely usable
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

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	\$ 6,472,404	\$ 5,466,258

F. The Group has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2021 and 2020, the amounts of temporary differences unrecognised as deferred tax liabilities were \$10,987,343 and \$10,443,978, 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	2019 (Note 1)
Cyntec, Power Forest Technology Corporation, Vivotek, DECC, DelBio, AMT, Lidlight Inc., Realwin., Otus Imaging, Aetek Inc. and Vatics Inc. (Note 2)	2019

Note 1: The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority, except for the income tax return of 2018 which is still pending for assessment and approval.

Note 2: The Group sold all its equity interest in Vatics Inc. on June 30, 2021.



(30) Share-based payment

A. For the years ended December 31, 2021 and 2020, 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 (Note)	1 year's service: 40% vested 2 years' service: 70% vested 3 years' service: 100% vested
//	2018.3.30	500,000	6 years (Note)	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	2019.8.19	800,000	2 years	1~2 years' performance

Note: As Power Forest and Cyntec converted shares on July 1, 2020, in accordance with the issuance of employee stock option certificates and exercise methods, the options may be subject to accelerated vesting.

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

(a) Employee share options

	<u>2021</u>		<u>2020</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
Options forfeited	-	-	( 100,000)	15.00
Options exercised	-	-	( 690,000)	15.00
Options expired	-	-	( 882,000)	16.50
Options outstanding at December 31	-	\$ -	-	\$ -
Options exercisable at December 31	-	\$ -	-	\$ -

(b) Restricted stocks to employees

	2021	2020
	No. of shares	No. of shares
January 1	374,000	798,000
Vested during the year	-	( 333,983)
Expired during the year	( 374,000)	( 90,017)
December 31	-	374,000

C. 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	-%	0.57%~ 0.67%	2.7995~ 3.3727
Vivotek - Plan of restricted stocks to employees	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 year.

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

	Years ended December 31,	
	2021	2020
Equity-settled	\$ -	(\$ 900)

(31) Business combinations

A. Business combinations of the Group for the years ended December 31, 2021 and 2020 are as follows:

(a) On December 1, 2021, the Group acquired 100% of the share capital of March Networks Holdings Ltd. (March) for \$3,472,680 and obtained control over March. As a result of the

acquisition, the Group is expected to improve the security and building automation. The amortisation duration of the acquisition price for March will be completed in one year after the acquisition.

(b) 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.

(c) On November 3, 2020, the Group acquired 100% of the share capital of Trihedral for \$885,725 originally and obtained control over Trihedral. As a result of the acquisition, the Group is expected to strengthen industrial automation and systems integration layout. The allocation of the acquisition price of Trihedral was completed in the first quarter of 2021, and the acquisition price increased by \$9,015 based on the adjustment terms in the contract.

B. The following table summarises the consideration paid for the abovementioned acquired subsidiaries and the fair values of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

	<u>March</u>	<u>Trihedral (Note)</u>	<u>DPI (Note)</u>
Purchase consideration			
Cash	\$ 3,376,535	\$ 885,725	\$ 250,380
Contingent consideration	<u>96,145</u>	<u>134,759</u>	<u>-</u>
	3,472,680	1,020,484	250,380
Fair value of DPI's equity interest held before the business combination	<u>-</u>	<u>-</u>	<u>173,132</u>
	<u>3,472,680</u>	<u>1,020,484</u>	<u>423,512</u>
Fair value of the identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	510,591	18,234	29,756
Other current assets	1,218,552	72,912	413,005
Property, plant and equipment	44,809	6,852	47,035
Intangible assets	1,032,206	236,302	154,346
Deferred tax assets	403,881	-	-
Other non-current assets	242,838	-	23,543
Fair value of the liabilities assumed			
Other current liabilities	( 475,624)	( 9,666)	( 496,015)
Deferred tax liabilities	-	( 1,814)	-
Other non-current liabilities	<u>( 236,879)</u>	<u>-</u>	<u>( 4,723)</u>
Total identifiable net assets	<u>2,740,374</u>	<u>322,820</u>	<u>166,947</u>
Goodwill	<u>\$ 732,306</u>	<u>\$ 697,664</u>	<u>\$ 256,565</u>

Note: Represents the amount after the allocation of acquisition price.

- C. The allocation of the acquisition price of Trihedral was completed in the first quarter of 2021 and the fair values of the acquired identifiable intangible assets and goodwill were \$236,302 and \$697,664, respectively.
- D. The allocation of the acquisition price of DPI was completed in the second quarter of 2020 and the fair values of the acquired identifiable intangible assets and goodwill were \$154,346 and \$256,565, respectively.
- E. The Group originally held 41% of share ownership in DPI before the business combination. Loss on remeasurement of fair value for the first quarter of 2020 amounted to \$47,636.
- F. The operating revenue included in the consolidated statement of comprehensive income since December 1, 2021 contributed by March was \$221,280. March also contributed profit before income tax amounting to \$22,516 over the same period. Had the company been consolidated from January 1, 2021, the consolidated statement of comprehensive income would show operating revenue of \$317,030,264 and profit before income tax of \$35,650,199.

(32) Supplemental cash flow information

The Group's subsidiary, Vivotek Inc., sold 54.41% of shares in the subsidiary – Vatics Inc. on June 30, 2021 and therefore lost control over the subsidiary (please refer to Note 17 of Note 4(3)B). The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

	<u>Vatics Inc.</u>
Purchase consideration	
Cash	\$ <u>25,373</u>
Carrying amount of the assets and liabilities of Vatics Inc.	
Cash and cash equivalents	23,939
Other current assets	160,695
Property, plant and equipment	3,208
Intangible assets	42,145
Deferred tax assets	56,894
Other non-current assets	7,018
Other current liabilities	( 390,079)
Deferred tax liabilities	( 24)
Other non-current liabilities	( 2,027)
Total net assets	( <u>\$ 98,231</u> )

(33) Transactions with non-controlling interest - Acquisition of additional equity interest in a subsidiary

In 2021, the Group acquired an additional equity interest of 2.44% in Vivotek for a total cash consideration of \$144,336 and 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. The effect of changes in interests attributable to owners of the parent for the years ended December 31, 2021 and 2020 is shown below:

	Year ended December 31, 2021	
	Vivotek	
Carrying amount of non-controlling interest acquired	\$	166,370
Consideration paid to non-controlling interest	(	144,336)
	\$	<u>22,034</u>
Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount:		
Capital surplus	\$	<u>22,034</u>

	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>
Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount:				
Capital surplus	(\$ 96,674)	(\$ 1,584)	\$ 1,553	(\$ 96,705)
Unappropriated retained earnings	\$ -	(\$ 58,953)	\$ -	(\$ 58,953)

(34) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2021	\$ 2,001,532	\$ 39,362,107	\$ 41,363,639
Changes in cash flow from financing activities	<u>2,395,830</u>	<u>4,596,805</u>	<u>6,992,635</u>
At December 31, 2021	<u>\$ 4,397,362</u>	<u>\$ 43,958,912</u>	<u>\$ 48,356,274</u>

	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)	<u>11,547,732</u>	<u>5,973,332</u>
At December 31, 2020	<u>\$ 2,001,532</u>	<u>\$ 39,362,107</u>	<u>\$ 41,363,639</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Compower AS	Associate
Fujian Kaixin Constructon Engineering Co., Ltd.	"
Delta Networks (Xiamen) Ltd.	"
Digital Projection Asia Pte Ltd.	"
Optovue, Inc.	" (Note)
Bruce Cheng	Director of the Company

Note: The Group disposed all its shares in Optovue, Inc. in July, 2021. Accordingly, Optovue, Inc. is no longer a related party.

### (2) Significant transactions and balances with related parties

#### A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
Associates	\$ 97,068	\$ 175,080
Director of the Company	3,719	21,905
Sales of services:		
Associates	3,124	8,823
	<u>\$ 103,911</u>	<u>\$ 205,808</u>

The Group sells commodities to related parties based on mutually agreed selling prices and terms as there is no similar transaction to be compared with. Sales of service to related parties arise mainly from sales and services of construction system.

#### B. Purchases of goods

	Years ended December 31,	
	2021	2020
Purchases of goods:		
Associates	\$ 55,119	\$ 78,998

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

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

	December 31, 2021	December 31, 2020
Receivables from related parties:		
Associates	\$ 27,831	\$ 42,284

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, 2021</u>	<u>December 31, 2020</u>
Payables to related parties:		
Associates	\$ 15,023	\$ 29,641

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

E. Period-end balances arising from other transactions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables-related parties		
Associates	\$ 485	\$ 199

The above pertain mainly to payments on behalf of others and uncollected interests.

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 277,725	\$ 294,322
Post-employment benefits	599	790
	<u>\$ 278,324</u>	<u>\$ 295,112</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, 2021</u>	<u>December 31, 2020</u>	
Demand deposits and time deposits (shown as current financial assets at amortised cost)	\$ 319,238	\$ 483,361	Performance bonds, custom guarantee, court attachments and other guarantee deposits
Demand deposits and time deposits (shown as other non-current assets)	218,130	187,257	Performance bonds and custom guarantee
Property, plant and equipment	557,568	567,141	Long-term borrowings and credit line of long-term borrowings
	<u>\$ 1,094,936</u>	<u>\$ 1,237,759</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property, plant and equipment	\$ 3,538,625	\$ 6,213,358
Costs of computer software	<u>\$ 9,970</u>	<u>\$ 72,804</u>

B. The Company's subsidiary, Delta International Holding Limited B.V.(DIH), planned to acquire all of the outstanding shares of UI Acquisition Holding Co. from its shareholders as resolved on December 17, 2021. The tentative transaction amount was approximately US\$88.9 million (in dollars). As of February 24, 2022, the transaction has not yet been approved by the authorities. Therefore, the transaction has not yet been completed.

10. SIGNIFICANT CASUALTY LOSS

Please refer to Note 2 of Note 6(24).

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) Information about the appropriations of 2021 earnings of the Company is provided in Note 6(19)E.
- (2) The Group plans to issue domestic unsecured corporate bonds and/or sustainable bonds for a total amount of not more than \$50,000,000 in full or in several times within a year from the date of the board meeting resolution.
- (3) The Group plans to merge with Allied Material Technology Corp., a 99.97%-owned subsidiary, and the effective date of the merger is expected to be on May 1, 2022.

12. OTHERS

(1) Capital risk management

The 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, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,437,527	\$ 4,003,539
Financial assets at fair value through other comprehensive income		
Selected designated investments in equity instruments	\$ 1,587,843	\$ 1,927,683
Financial assets at amortised cost		
Cash and cash equivalents	\$ 49,855,053	\$ 58,711,985
Notes receivable	3,420,633	3,733,595
Accounts receivable	67,464,208	59,219,717
Other receivables	1,815,370	1,803,498
Guarantee deposits paid	204,759	256,693
Financial assets at amortised cost	545,368	863,642
	<u>\$ 123,305,391</u>	<u>\$ 124,589,130</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	\$ 41,371	\$ 60,060
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,397,362	\$ 2,001,532
Notes payable	440	2,770
Accounts payable	54,569,485	46,717,151
Other payables	35,652,202	32,884,221
Long-term borrowings (including current portion)	43,958,912	39,362,107
Guarantee deposits received	1,526,349	418,754
	<u>\$ 140,104,750</u>	<u>\$ 121,386,535</u>
Lease liabilities (including current portion)	<u>\$ 1,895,640</u>	<u>\$ 1,949,698</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, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 572,212	27.6600	\$ 15,827,372
USD:RMB (Note)	486,442	6.3720	13,454,978
USD:THB (Note)	326,474	33.3253	9,030,279
RMB:USD (Note)	878,872	0.1569	3,815,069
EUR:USD (Note)	97,120	1.1298	3,034,985
<u>Non-monetary items</u>			
USD:NTD	\$ 6,029,541	27.6600	\$ 166,777,109
THB:USD (Note)	55,524,751	0.0300	46,085,543
RMB:USD (Note)	9,969,549	0.1569	43,276,518
USD:THB (Note)	509,991	33.3253	14,106,364
NOK:USD (Note)	3,685,558	0.1134	11,556,213
THB:NTD	5,389,233	0.8300	4,473,063
EUR:USD (Note)	46,764	1.1298	1,461,366
CAD:USD (Note)	47,519	0.7802	1,025,452
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:RMB (Note)	\$ 4,199,001	0.1569	\$ 18,227,317
USD:NTD	644,440	27.6600	17,825,220
USD:THB (Note)	418,056	33.3253	11,563,430
USD:RMB (Note)	304,686	6.3720	8,427,610
EUR:USD (Note)	52,354	1.1298	1,636,056

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

	December 31, 2020		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<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.

- 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, 2021 and 2020 amounted to \$1,203,355 and \$399,073, respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 158,274	\$ -
USD:RMB (Note)	1%	134,550	-
USD:THB (Note)	1%	90,303	-
RMB:USD (Note)	1%	38,151	-
EUR:USD (Note)	1%	30,350	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
RMB:USD (Note)	1%	\$ 182,273	\$ -
USD:NTD	1%	178,252	-
USD:THB (Note)	1%	115,634	-
USD:RMB (Note)	1%	84,276	-
EUR:USD (Note)	1%	16,361	-

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, 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.

#### 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, 2021 and 2020 would have increased/decreased by \$20,598 and \$14,147, 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 \$13,259 and \$15,203, 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 variable



interest rate. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD, USD and JPY.

- ii. As at December 31, 2021 and 2020, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased by \$87,918 and \$78,700, 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 and contract assets. There were no contract assets past due as at December 31, 2021 and 2020. On December 31, 2021 and 2020, the provision matrix of accounts receivable is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2021</u>			
Expected loss rate	0.00%	0.97%	20.85%
Total book value	\$ 60,175,037	\$ 7,029,700	\$ 268,016
Loss allowance	\$ 432	\$ 67,970	\$ 55,884
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	47.87%	94.43%	
Total book value	\$ 151,223	\$ 162,945	\$ 67,786,921
Loss allowance	\$ 72,388	\$ 153,870	\$ 350,544
	<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

- 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:

	2021				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 507,266	\$ -	\$ 354,282	\$ 861,548
Reversal of impairment loss	-	( 152,847)	-	( 24,526)	( 177,373)
Decrease in consolidated entities	-	( 320)	-	-	( 320)
Reclassification	-	( 10,245)	-	10,245	-
Write-offs during the year	-	( 2,211)	-	( 21,707)	( 23,918)
Effect of foreign exchange	-	8,901	-	( 4,996)	3,905
At December 31	<u>\$ -</u>	<u>\$ 350,544</u>	<u>\$ -</u>	<u>\$ 313,298</u>	<u>\$ 663,842</u>
	2020				
	Notes receivable	Accounts receivable	Contract assets	Overdue receivables	Total
At January 1	\$ -	\$ 1,009,193	\$ -	\$ 213,405	\$ 1,222,598
Provision for (reversal of) impairment loss	-	( 254,514)	-	110,447	( 144,067)
Write-offs during the year	-	( 137,816)	-	( 63,404)	( 201,220)
Reclassification	-	( 102,008)	-	102,008	-
Effect of foreign exchange	-	( 7,589)	-	( 8,174)	( 15,763)
At December 31	<u>\$ -</u>	<u>\$ 507,266</u>	<u>\$ -</u>	<u>\$ 354,282</u>	<u>\$ 861,548</u>

For provisioned loss for the years ended December 31, 2021 and 2020, the reversal of impairment loss arising from customers' contracts amounted to \$177,373 and \$144,067, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 4,397,362	\$ -	\$ -	\$ -
Notes and accounts payable (including related parties)	54,569,925	-	-	-
Other payables	35,652,202	-	-	-
Lease liabilities (including current portion)	529,239	374,463	446,160	545,778
Long-term borrowings (including current portion)	45,125	37,495,523	6,060,631	357,633

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>
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

Derivative financial liabilities:

As at December 31, 2021 and 2020, 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, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$2,059,827	\$ -	\$1,135,347	\$3,195,174
Convertible preferred stocks	-	-	197,148	197,148
Hybrid instruments	20,135	900,000	-	920,135
Derivative instruments	-	125,070	-	125,070
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,060,528</u>	<u>-</u>	<u>527,315</u>	<u>1,587,843</u>
	<u>\$3,140,490</u>	<u>\$1,025,070</u>	<u>\$1,859,810</u>	<u>\$6,025,370</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 41,371</u>	<u>\$ -</u>	<u>\$ 41,371</u>

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$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	<u>1,254,855</u>	<u>-</u>	<u>672,828</u>	<u>1,927,683</u>
	<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	<u>\$ -</u>	<u>\$ 60,060</u>	<u>\$ -</u>	<u>\$ 60,060</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, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021			
	Hybrid instruments	Debt instruments	Equity instruments	Total
At January 1	\$ 74,983	\$ -	\$ 1,943,584	\$ 2,018,567
Losses recognised in profit and loss	( 5,131)	-	( 146,844)	( 151,975)
Losses recognised in other comprehensive income	-	-	( 228,746)	( 228,746)
Acquired during the year	-	197,148	326,658	523,806
Proceeds from capital reduction	-	-	( 57,736)	( 57,736)
Disposals during the year	( 69,852)	-	( 33,963)	( 103,815)
Transfers out from Level 3	-	-	( 133,700)	( 133,700)
Net exchange differences	-	-	( 6,591)	( 6,591)
At December 31	<u>\$ -</u>	<u>\$ 197,148</u>	<u>\$ 1,662,662</u>	<u>\$ 1,859,810</u>

	2020		
	Hybrid instruments	Equity instruments	Total
At January 1	\$ -	\$ 2,272,745	\$ 2,272,745
Losses recognised in profit or loss	-	( 105,958)	( 105,958)
Losses recognised in other comprehensive income	-	( 4,276)	( 4,276)
Acquired during the period	74,983	237,157	312,140
Disposals during the period	-	( 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>

G. For the years ended December 31, 2021 and 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, 2021	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 1,397,262	Most recent non-active market price	Not applicable	-	Not applicable
"	265,400	Market comparable companies	Price to book ratio multiple	0.91~2.78 (1.21)	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	1.43~14.77 (2.26)	
			Price to book ratio multiple	1.56~17.00 (2.35)	
			Discount for lack of marketability	20% (20%)	
Non-derivative debt instruments:					
Convertible preferred stocks	197,148	Option pricing model of VC Method	Market value multiple	10.20~28.99 (28.17)	The higher the multiple, the higher the fair value



	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

- 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 on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2021			
		Recognised in profit or loss		Recognised in other comprehensive income (loss)	
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	Discount for lack of marketability	± 1%	\$ -	\$ -	\$ 2,881 (\$ 2,881)
Financial assets					
Debt instrument	Market value multiple	± 1%	\$ 1,920	(\$ 1,920)	\$ - \$ -

		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)	

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

(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 in product classification, the Group's internal business segments were restructured. Accordingly, the prior period information was restated for comparative purposes.

(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, 2021			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 187,316,910	\$ 45,881,397	\$ 81,079,663	\$ 314,277,970
Segment income (Note)	<u>\$ 21,443,466</u>	<u>\$ 4,976,189</u>	<u>\$ 4,945,086</u>	<u>\$ 31,364,741</u>

	Year ended December 31, 2020			
	Power electronics business	Automation business	Infrastructure business	Total
Revenue from external customers	\$ 164,026,091	\$ 38,773,146	\$ 79,584,138	\$ 282,383,375
Segment income (Note)	\$ 21,674,612	\$ 3,877,526	\$ 5,873,666	\$ 31,425,804

(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, 2021 and 2020 is provided as follows:

	Years ended December 31,	
	2021	2020
Reportable segments income	\$ 31,364,741	\$ 31,425,804
Non-operating income and expenses	4,262,806	2,849,479
Income before tax from continuing operations	\$ 35,627,547	\$ 34,275,283

(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, 2021 and 2020 were as follows:

	Years ended December 31,			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 103,301,964	\$ 28,176,401	\$ 91,342,056	\$ 26,961,698
U.S.A.	72,772,720	4,882,157	63,307,375	4,339,910
Taiwan	33,340,691	42,566,837	30,519,295	39,834,563
Thailand	1,945,032	60,511,111	1,603,452	39,943,247
Others	103,310,389	18,967,074	95,833,315	37,228,069
	\$ 314,670,796	\$ 155,103,580	\$ 282,605,493	\$ 148,307,487

(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, 2021 and 2020.

## Delta Electronics, Inc. and Subsidiaries

## Loans to others

Year ended December 31, 2021

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	\$ 2,572,380	\$2,572,380	\$ 1,659,600	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ 28,519,112	\$ 28,519,112	Note 5	
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	16,914,090	16,914,090	16,914,090	0.5%-0.7%	2	-	Additional operating capital	-	None	28,519,112	28,519,112	Note 5	
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	802,140	-	-	0.50%	2	-	Additional operating capital	-	None	1,827,419	1,827,419	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	18,808,800	15,130,020	15,130,020	0.5%-0.7%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	2,212,800	-	-	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	691,500	691,500	691,500	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	12,170,400	12,170,400	12,170,400	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	387,240	387,240	387,240	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	63,618	63,618	63,618	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
4	Eitek AS	Eitek Italia S.r.l.	Other receivables - related parties	Yes	31,250	31,250	31,158	1.90%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	91,500	61,000	61,000	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Eitek Power France SAS	Other receivables - related parties	Yes	78,125	-	-	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Solutions (Finland) Oy	Other receivables - related parties	Yes	31,250	-	-	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	99,402	99,402	99,402	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Eitek AS	Eitek s.r.o.	Other receivables - related parties	Yes	\$ 303,125	\$ 303,125	\$ 303,125	0.60%	2	\$ -	- Additional operating capital	\$ -	None	\$ 3,275,627	\$ 3,275,627	Note 5	
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,519,305	1,519,305	1,519,305	4.65%	2	-	- Additional operating capital	-	None	4,155,257	4,155,257	Note 5	
6	Vivotek Inc.	Vates Inc.	Other receivables	No	270,000	-	-	1.09%	2	-	- Additional operating capital	-	None	290,473	580,945	Note 6	
7	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	375,000	359,375	359,375	0.40%	2	-	- Additional operating capital	-	None	695,111	695,111	Note 5	
8	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,157,480	2,157,480	2,157,480	1.7%-4%	2	-	- Additional operating capital	-	None	6,344,224	6,344,224	Note 5	
9	Delta Greentech (Netherlands) B.V.	Eitek s.r.o.	Other receivables - related parties	Yes	218,750	218,750	187,500	0.40%	2	-	- Additional operating capital	-	None	1,123,039	1,123,039	Note 5	
10	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,666,894	1,610,463	1,610,463	3.85%	2	-	- Additional operating capital	-	None	2,731,854	2,731,854	Note 5	
11	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	583,413	583,413	583,413	3.85%	2	-	- Additional operating capital	-	None	7,766,756	7,766,756	Note 5	

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2021, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries  
 Provision of endorsements and guarantees to others  
 Year ended December 31, 2021  
 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, 2021	Outstanding endorsement / guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement / guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements / guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser / guarantor (Note 4)											
I	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 3,095,730	\$ 124,470	\$ 124,470	\$ 124,470	\$ -	0.08%	\$ 7,739,326	N	N	N	Note 2

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

(1) The Company is '0'.

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

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

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

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

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

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

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

Table 3

Securities held by Delta Electronics, Inc.	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021			Footnote
				Number of shares	Book value	Ownership (%)	
	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	31,294,379	\$ 683,782	2.08%	\$ 683,782
	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	376,746	5.78%	376,746
	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000
	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss	-	122,834	-	122,834
	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,750	271,246	0.51%	271,246
	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,061,000	205,834	0.81%	205,834
	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	174,505	0.14%	174,505
	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	290,500	1.44%	290,500
	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	213,786	2.99%	213,786
	Acer E-Enabling Service Business Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	800,000	176,000	2.19%	176,000
	AMIA Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - non-current	2,000,000	131,980	3.18%	131,980
	Evergreen Aviation Technologies Corporation common stock	None	Financial assets at fair value through profit or loss - non-current	3,000,000	189,000	0.85%	189,000



Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	\$ 141,008	7.51%	\$ 141,008	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,373,728	-	1,373,728	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	110,640	19.9%	110,640	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	39,607	-	39,607	
Cyntee 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	
Cyntee Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	29,890	19.79%	29,890	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,841	17.52%	4,841	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	6,511	15.00%	6,511	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	197,148	2.04%	197,148	

Delta Electronics, Inc. and Subsidiaries  
 Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
 Year ended December 31, 2021  
 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, 2021		Addition		Disposal				Balance as at December 31, 2021		Footnote
				Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Delta Electronics (H.K.) Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	(\$ 16,747)	-	\$ 1,007,644 (Note 1)	-	\$ -	-	\$ -	-	\$ 990,897	
Delta Electronics (Netherlands) B.V.	Opiovue, Inc.	Investments accounted for under equity method	None	5,190,330	728,129	-	( 7,933) (Note 2)	5,190,330	720,196 (Note 3)	720,196	-	-	-	
Delta International Holding Limited B.V.	March Networks Holdings Ltd. (Note 4)	Investments accounted for under equity method	None	-	-	10,000	3,468,894 (Note 5)	-	-	-	-	10,000	3,468,894	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	1,775,836	-	-	-	926,057	961,596 (Note 6)	-	-	814,240	

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

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

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

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

Note 5: Delta International Holding Limited B.V. increased its investments in Infinoa (Canada) Limited in the amount of \$3,472,680 in December 2021, which included investment income or loss recognised during the period and adjustments in changes of net value. The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

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

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

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

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 4,438,582	83.29	70 days				\$ 1,060,041	82.93	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,943,266	61.89	70 days				206,726	40.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	407,864	12.97	70 days				105,384	20.50	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	756,910	24.07	70 days				194,016	37.74	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,060,067	27.00	Note 1	Note 1	Note 1	Note 1	554,396	38.36	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	205,454	2.67	90 days after delivery				77,066	5.33	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	99.72	Note 2	Note 2	Note 2	Note 2	2,303,996	99.79	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	486,320	19.66	70 days				-	-	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,987,028	80.34	70 days				831,228	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,008,607	84.32	70 days				35,416	9.30	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,255	3.03	70 days				47,421	4.08	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,168,563	20.79	70 days				213,065	19.75	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	119,460	2.12	70 days				21,059	1.95	
Delta Electronics (Japan), Inc.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	125,333	2.21	70 days				39,510	3.66	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	349,965	5.84	70 days				69,597	4.58	

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 20,947,034	9.23	70 days			\$ 5,261,466	9.37	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	14.09	70 days			3,518,289	6.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	2.42	70 days			961,354	1.71	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	2.53	70 days			903,077	1.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,520,847	1.55	70 days			1,049,632	1.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	282,686	0.13	70 days			51,394	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,828,800	0.80	70 days			530,152	0.94	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	630,399	0.26	70 days			190,271	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	141,805	0.06	70 days			36,222	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	229,432	0.05	150 days			106,210	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	184,373	0.09	70 days			47,478	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	193,328	0.11	75 days after delivery			126,546	0.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,675,119	0.71	90 days after delivery			537,974	0.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	162,958	0.06	70 days			42,835	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,963,137	1.30	70 days			629,279	1.12	

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



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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	\$ 279,128	0.42	70 days			\$ 1	0.00	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	213,485	0.31	90 days after delivery			30,397	0.21	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	278,746	0.40	70 days			103,015	0.71	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	335,942	0.45	70 days			132,004	0.92	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	25.92	70 days			3,415,571	23.62	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	2,773,177	4.09	70 days			454,866	3.16	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	8,259,647	12.24	90 days after delivery			3,138,970	21.74	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	1,369,368	2.03	70 days			283,057	1.96	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	150,204	0.23	75 days after delivery			56,895	0.40	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	396,031	0.58	70 days			49,201	0.34	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	570,566	12.00	90 days	Note 3	Note 3	154,838	22.00	

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

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

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

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

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

Table 7

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

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

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

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

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

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

Delta Electronics, Inc. and Subsidiaries  
 Significant inter-company transactions during the reporting period  
 Year ended December 31, 2021  
 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.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	\$ 8,259,647	(Note 5)	2.62
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	(Note 5)	5.53
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	4,687,136	(Note 4)	1.49
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	(Note 4)	9.55
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	(Note 4)	6.62
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	(Note 4)	18.81
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	(Note 4)	5.79
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	(Note 4)	1.93
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	(Note 4)	2.26
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,458,582	(Note 4)	1.42
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	(Note 7)	4.87
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	20,947,034	(Note 4)	6.66
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	(Note 4)	10.18
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	(Note 4)	1.74
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	(Note 4)	1.84

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



Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
11	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 16,940,509	(Note 6)	4.64

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Lending of capital.

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

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

Delta Electronics, Inc. and Subsidiaries  
Information on investees  
Year ended December 31, 2021

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, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 67,930,550	\$ 1,262,627	(Note 6)	
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	1,839,478	99,400	(Note 6)	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	23,258,370	6,167,401	(Note 6)	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,473,063	5,836,012	(Notes 6 and 13)	
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	32,778,207	1,107,200	(Note 6)	
Delta Electronics, Inc.	DeIBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	208,627	2,496	(Note 6)	
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	4,024,563	552,543	(Note 6)	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	43,913,221	12,171,122	(Note 6)	
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,585,464	( 90,061)	(Note 6)	
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	285,784	386,583	(Notes 6 and 9)	
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,361,352	4,217,016	47,692,058	55.09	4,110,543	188,138	(Note 6)	
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	-	880,000	44.00	8,569	( 525)	(Note 18)	
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	11,915,297	11,915,297	191,984,450	15.39	11,818,732	5,836,012	(Note 13)	
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	79,412	79,412	1,000,000	100.00	220,910	7,328	(Note 1)	
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	79,079	79,079	5,600	100.00	717,423	123,652	(Note 1)	
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	390,738	390,738	46,949,667	100.00	147,038	( 131,894)	(Note 1)	
Delta International Holding Limited B.V.	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	-	41,490	-	-	-	( 8,495)	(Notes 1 and 21)	

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

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	\$ 382	\$ -	110,999	100.00	\$ 53	\$ 456	(Notes 16 and 18)	
Vivotek Inc.	Vaties Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	305,651	-	-	-	(30,724)	(Note 19)	
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	272,981	25,624	(Note 11)	
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	139,748	31,336	(Note 11)	
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	121,210	1,938	(Note 11)	
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	47,109	1,183	(Note 11)	
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,542	330	(Note 11)	
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	323,079	25,630	(Note 10)	
Realwin Investment Inc.	Skywatek INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(3,320)	(Note 14)	
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	49,981	3,410	(Note 12)	
Realwin Investment Inc.	Agtek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	62,814	29,676	(Note 12)	
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	-	11,242	-	-	-	10,436	(Notes 12 and 20)	
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,095	712	(Note 12)	
Realwin Investment Inc.	Vaties Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	31,123	-	-	-	(30,724)	(Note 19)	

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 14: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company.

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

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

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

Note 18: Established or invested during 2021.  
Note 19: The Group disposed 54.41% equity shares of Vafies Inc. to Kneron Holding Corporation on June 30, 2021. As of that date, the Group lost control over the aforementioned entity; thus it was not included as a consolidated entity of the Group since the date.  
Note 20: Dissolved and liquidated in August 2021.  
Note 21: Dissolved and liquidated in April 2021.  
Note 22: The Group disposed all of its shares in Optovue in June 2021 as resolved by the Board of Directors, and the related procedures were completed in July.

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

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

Table 10

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Mainland China to Taiwan as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
Delta Networks (Dongguan) Ltd.	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	\$ 1,258,530	Invested by DNHK	\$ 1,236,577	\$ -	\$ 1,236,577	\$ 123,789	100.00	\$ 123,789	\$ 1,661,715	\$ 608,520	Footnote 5 and 26)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	64,020	Invested by DNHK	19,362	-	19,362	( 3,791)	30.00	( 1,137)	16,119	-	(Note 16)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	110,640	Invested by DelBio	110,640	-	110,640	6,614	100.00	6,593	181,793	-	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	110,692	Invested by DCZ	-	-	-	49,456	100.00	49,275	241,900	-	(Note 13)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,409	Invested by DPEC and DGC	-	-	-	1,486	96.32	1,486	33,427	-	(Note 13 and 22)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	434	Invested by DET-SH	-	-	-	1,012	96.32	1,012	1,889	-	(Note 13 and 22)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,139	Invested by Amerlux Lighting Hong Kong Limited	166,582	-	166,582	98,541	100.00	98,541	118,895	-	(Notes 11 and 19)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,465,614	Invested by Drake-HK, Boom and DGSG	8,458,778	-	8,458,778	1,053,390	95.91	1,010,316	6,473,416	-	(Notes 4 and 14)
Cyntec Electronics (Wuhu) Co., Ltd.	Technology services; development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,355,340	Invested by DHK	27,660	802,140	829,800	( 340,588)	100.00	( 340,588)	990,897	-	(Notes 15 and 24)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	108,522	Invested by DPT	-	-	-	-	40.00	679	12,835	-	(Note 13)



Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.372 to US\$1 and NTD 4.34087 to RMBS1.

Note 2: The accumulated remittance as at January 1, 2021, remitted or collected this period, accumulated remittance as at December 31, 2021 and investment income remitted back as at December 31, 2021 was translated into New Taiwan Dollars at the average exchange rate of NTD 27.66 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$166,775 thousand (the amount include former Delta Electronics Power (Dongguan) Co., Ltd.) permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$21,812 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 6: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$ 110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 7: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 8: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 9: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 10: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 11: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.

Note 12: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. Under the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.

Note 13: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.

Note 14: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 15: Invest through Delta Electronics (H.K.) Ltd.

Note 16: Invest through Delta Networks (HK) Limited.

Note 17: Invest through Cytotec Holding (HK) Limited.

Note 18: Invest through DelBio Inc.

Note 19: Invest through Amerlux Lighting Hong Kong Limited.

Note 20: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

Note 21: The company recognised investment income / loss based on the audited financial statement.

Note 22: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. After the merger, Delta Energy Technology Puhuan (Shanghai) Co., Ltd. would be the surviving company while Delta Energy Technology (Shanghai) Co., Ltd. would be the dissolved company. As of December 31, 2021, the procedure was still in process.

Note 23: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$4,000 thousand permitted by Investment Commission is excluded from Cytotec Co., Ltd.'s amount of investment in Mainland China.

Note 24: Except for the facility of US\$30,000 thousand permitted by Investment Commission, the capitalisation of earnings of US\$19,000 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 25: This company had been liquidated in December 2021.

Note 26: Jointly invested through Delta Electronics (H.K.) Ltd. and Delta Networks (HK) Limited.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2021	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,651,858	\$ 28,022,364	\$ -
Cyntec Co., Ltd. (Note 5)	5,233,614	5,233,614	16,509,859
DeIBio Inc. (Note 4)	110,640	110,640	125,421

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NT\$27.66 to US\$1 at the balance sheet date.

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

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

Note 4: The ceiling is calculated based on DeIBio Inc.'s 60% of net assets as at December 31, 2021.

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

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

Table 11

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

▶ **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, 2021 AND 2020**

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

## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Delta Electronics, Inc. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

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

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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were

addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

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

#### Description

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

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

#### How our audit addressed the matter

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

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

of return of similar assets.

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

We did not audit the financial statements of certain investments accounted for under the equity method and information on investees disclosed in Note 13. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. These investments accounted for under the equity method amounted to NT\$24,832,494 thousand and NT\$26,749,245 thousand, constituting 10.15% and 11.87% of total assets as at December 31, 2021 and 2020, respectively, and the comprehensive income recognised from these associates and joint ventures accounted for under the equity method amounted to NT\$2,420,288 thousand and NT\$4,491,467 thousand, constituting 10.40% and 24.03% of the total comprehensive income for the years then ended December 31, 2021 and 2020, respectively.

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

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

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

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

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

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our



auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The parent company only financial statements of Delta Electronics, Inc. as at and for the year ended December 31, 2021 expressed in US dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of \$27.66 to US\$1.00 at December 31, 2021. This basis of translation is not in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Lin, Yu-Kuan      Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

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

(Continued)

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

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

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

**DELTA ELECTRONICS, INC.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

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

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

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

	Notes	Retained earnings				Other equity interest			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments
<u>2020 New Taiwan Dollars</u>										
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	\$ 5,334,992	\$ 2,434,298	\$ 147,256	\$ 140,156,877
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)
Total comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957
Distribution of 2019 earnings										
Legal reserve	6(17)	-	-	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										
Balance at December 31, 2020	6(3)	\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338
<u>2021 New Taiwan Dollars</u>										
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	\$ 12,319,980	\$ 353,844	\$ 130,616	\$ 145,899,338
Profit for the year		-	-	-	-	26,796,302	-	-	-	26,796,302
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	(3,262,018)
Distribution of 2020 earnings										
Legal reserve	6(17)	-	-	2,355,218	-	(2,355,218)	-	-	-	-
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-	-
Cash dividends		-	-	-	-	(14,286,480)	-	-	-	(14,286,480)
Changes in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	-	(110,388)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,034	-	-	-	-	-	-	22,034
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	\$ 15,520,287	\$ 776,353	\$ 129,917	\$ 154,786,522

(Continued)

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

	Notes	Retained earnings				Other equity interest			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments
2021 US Dollars										
Balance at January 1, 2021		\$ 939,098	\$ 1,778,832	\$ 988,522	\$ 275,561	\$ 1,746,206	(\$ 445,407 )	(\$ 12,793 )	\$ 4,722	\$ 5,274,741
Profit for the year		-	-	-	-	968,774	-	-	-	968,774
Other comprehensive income (loss) for the year		-	-	-	-	3,226	( 115,702 )	( 15,275 )	( 25 )	( 127,776 )
Total comprehensive income (loss) for the year		-	-	-	-	972,000	( 115,702 )	( 15,275 )	( 25 )	840,998
Distribution of 2020 earnings	6(17)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	85,149	-	( 85,149 )	-	-	-	-
Special reserve		-	-	-	177,917	( 177,917 )	-	-	-	-
Cash dividends		-	-	-	-	( 516,503 )	-	-	-	( 516,503 )
Changes in ownership interests in subsidiaries		-	( 3,991 )	-	-	-	-	-	-	( 3,991 )
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	797	-	-	-	-	-	-	797
Balance at December 31, 2021		\$ 939,098	\$ 1,775,638	\$ 1,073,671	\$ 453,478	\$ 1,938,637	(\$ 561,109 )	(\$ 28,068 )	\$ 4,697	\$ 5,596,042

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

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

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

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

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

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

DELTA ELECTRONICS, INC.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
 EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

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

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

These parent company only financial statements were authorised for issuance by the Board of Directors on February 24, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

Note: Earlier application from January 1, 2021 is allowed by the FSC.

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

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 IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (1) Compliance statement

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

##### (2) Basis of preparation

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

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

#### B. Translation of foreign operations

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

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

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

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

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

(11) Inventories

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

(12) Non-current assets held for sale

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



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

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

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



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

(14) Cash surrender value of life insurance

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the

construction period are capitalised.

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

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

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

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

(17) Intangible assets

A. Trademarks

(a) Separately acquired trademarks with finite useful lives are stated at acquisition cost and are amortised on a straight-line basis over their estimated useful lives.

(b) Certain trademarks which are assessed to generate net cash inflows and have indefinite useful lives are recorded at actual cost. These are not amortised and instead, are tested for impairment annually.

B. Goodwill arising from a short-form merger with the subsidiary is recognised pursuant to Article 19 of Enterprises Mergers and Acquisitions Act.

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

(18) Impairment of non-financial assets

A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use should be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary

course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial, they are measured subsequently at original invoice amount.

(21) Derecognition of financial liabilities

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

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved

amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Income tax

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

(25) Share capital

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

(26) Dividends

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

## (27) Revenue recognition

### A. Sales of goods

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

### B. Installation of software and module services

- (a) The Company provides installation of some software and module services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) Some contracts include sales and installation services of equipment. The equipment and the installation services provided by the Company are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification.
- (c) The Company's estimate about revenue, costs and progress towards complete satisfaction of



a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

C. Revenue from licencing intellectual property

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

D. Incremental costs of obtaining a contract

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

(28) Government grants

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

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

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

Critical accounting estimates and assumptions

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

Impairment assessment of investments accounted for using equity method

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

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

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 1,959	\$ 2,096
Checking accounts and demand deposits	<u>1,155,131</u>	<u>1,524,124</u>
	<u>\$ 1,157,090</u>	<u>\$ 1,526,220</u>

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

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

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 30,843	\$ 30,843
Unlisted stocks	17,010	48,636
Hybrid instrument-convertible bonds	<u>900,000</u>	<u>900,000</u>
	947,853	979,479
Valuation adjustment	( <u>131</u> )	( <u>32,015</u> )
	<u>\$ 947,722</u>	<u>\$ 947,464</u>

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

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

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



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

Items	December 31, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,608,699	\$ 1,608,699
Unlisted stocks	<u>164,044</u>	<u>149,334</u>
	1,772,743	1,758,033
Valuation adjustment	( <u>637,103</u> )	( <u>353,844</u> )
	<u>\$ 1,135,640</u>	<u>\$ 1,404,189</u>

- A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,135,640 and \$1,404,189 as at December 31, 2021 and 2020, respectively.
- B. For the year ended December 31, 2021, the Company did not dispose any stock investments. For the year ended December 31, 2020, the Company sold listed stocks and convertible bonds at fair value of \$501,867, to adjust the stock position, resulting to a loss on disposal of \$1,754,186.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	( <u>\$ 283,259</u> )	\$ <u>326,268</u>
Cumulative loss reclassified to retained earnings due to derecognition	<u>\$ -</u>	( <u>\$ 1,754,186</u> )

- D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was \$1,135,640 and \$1,404,189, respectively.
- E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Notes and accounts receivable

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

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

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

The above aging analysis was based on past due date.

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

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

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

E. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's notes receivable were \$20,511 and \$34,132, and accounts receivable were \$5,544,419 and \$6,816,593, respectively.

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

(5) Inventories

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

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

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 34,546,808	\$ 30,086,289
Loss on market value decline and obsolete and slow-moving inventories	369,426	344,589
Others	( 65,311)	( 55,377)
	<u>\$ 34,850,923</u>	<u>\$ 30,375,501</u>

(6) Investments accounted for under equity method

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

Investee	December 31, 2021		December 31, 2020	
	Ownership (%)	Book value	Ownership (%)	Book value
Delta International Holding Limited B.V. (DIH)	100.00	\$ 67,930,550	100.00	\$ 68,300,397
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	100.00	43,913,221	100.00	36,275,120
Cyntec Co., Ltd. (Cyntec)	100.00	32,778,207	100.00	32,669,114
Delta Electronics (Netherlands) B.V. (DEN)	100.00	23,258,370	100.00	17,298,092
Delta Electronics (Thailand) Public Company Limited (DET)	5.54	4,473,063	5.54	4,570,430
Vivotek Inc. (Vivo)	55.09	4,110,543	52.65	3,903,371
Delta Electronics Capital Company (DECC)	100.00	4,024,563	100.00	3,472,020
Delta Networks Holding Limited (DNH)	100.00	1,839,478	100.00	3,112,095
Allied Material Technology Corp. (AMT)	99.97	1,585,464	99.97	1,675,498
Delta America Ltd. (DAL)	10.26	285,784	10.26	325,803
DelBio Inc. (DelBio)	100.00	208,627	100.00	221,734
Chunghwa SEA Holdings	44.00	8,569	-	-
		<u>\$ 184,416,439</u>		<u>\$ 171,823,674</u>

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

Investee	2021	2020
DEIL-SG	\$ 12,035,873	\$ 14,451,088
DIH	1,236,811	693,897
CYNTEC	964,114	938,087
DNH	61,931	164,705
DECC	552,543 (	86,241)
DEN	5,733,781	5,721,993
DET	287,690	224,882
Others	( 67,748)	36,443
	<u>\$ 20,804,995</u>	<u>\$ 22,144,854</u>

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

D. Information about subsidiaries of the Company is provided in Note 4(3) in the 2021 consolidated financial statements.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1, 2021							
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>
2021							
Opening net book amount	\$ 10,247,505	\$ 5,827,665	\$ 955,075	\$ 1,142,349	\$ 410,173	\$ 4,618,499	\$ 23,201,266
Additions	-	74,980	412,404	418,523	201,345	2,769,183	3,876,435
Disposals	-	( 230)	( 10,623)	( 7)	( 240)	-	( 11,100)
Transfers (Note)	-	6,255,660	47,574	71,318	51,801	( 6,746,904)	( 320,551)
Depreciation charge	-	( 319,304)	( 414,978)	( 709,075)	( 326,864)	-	( 1,770,221)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>
At December 31, 2021							
Cost	\$ 10,247,505	\$ 14,845,685	\$ 3,205,914	\$ 4,992,913	\$ 2,824,924	\$ 640,778	\$ 36,757,719
Accumulated depreciation and impairment	-	( 3,006,914)	( 2,216,462)	( 4,069,805)	( 2,488,709)	-	( 11,781,890)
	<u>\$ 10,247,505</u>	<u>\$ 11,838,771</u>	<u>\$ 989,452</u>	<u>\$ 923,108</u>	<u>\$ 336,215</u>	<u>\$ 640,778</u>	<u>\$ 24,975,829</u>

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

	Land	Buildings and structures	Machinery and equipment	Testing equipment	Others	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2020</u>							
Cost	\$ 10,145,121	\$ 7,807,057	\$ 2,309,895	\$ 4,050,708	\$ 2,461,998	\$ 1,828,112	\$ 28,602,891
Accumulated depreciation and impairment	-	( 2,480,129)	( 1,567,557)	( 2,942,481)	( 1,818,935)	-	( 8,809,102)
	<u>\$ 10,145,121</u>	<u>\$ 5,326,928</u>	<u>\$ 742,338</u>	<u>\$ 1,108,227</u>	<u>\$ 643,063</u>	<u>\$ 1,828,112</u>	<u>\$ 19,793,789</u>
<u>2020</u>							
Opening net book amount	\$ 10,145,121	\$ 5,326,928	\$ 742,338	\$ 1,108,227	\$ 643,063	\$ 1,828,112	\$ 19,793,789
Additions	102,384	150,320	587,101	670,812	259,130	3,446,446	5,216,193
Disposals	-	-	( 7,453)	( 4,002)	( 1)	-	( 11,456)
Transfers	-	581,776	33,238	34,221	6,824	( 656,059)	-
Depreciation charge	-	( 231,359)	( 400,149)	( 666,909)	( 498,843)	-	( 1,797,260)
Closing net book amount	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>
<u>At December 31, 2020</u>							
Cost	\$ 10,247,505	\$ 8,527,286	\$ 2,873,420	\$ 4,645,129	\$ 2,600,921	\$ 4,618,499	\$ 33,512,760
Accumulated depreciation and impairment	-	( 2,699,621)	( 1,918,345)	( 3,502,780)	( 2,190,748)	-	( 10,311,494)
	<u>\$ 10,247,505</u>	<u>\$ 5,827,665</u>	<u>\$ 955,075</u>	<u>\$ 1,142,349</u>	<u>\$ 410,173</u>	<u>\$ 4,618,499</u>	<u>\$ 23,201,266</u>

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

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

(8) Leasing arrangements - lessee

- A. The Company leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

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

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

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

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

- E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases was \$129,961 and \$139,652, respectively.
- F. Extension options
- (a) Extension options are included in the Company's lease contracts pertaining to certain land. These terms and conditions are the lessor's general practice and for the Company to effectively utilise the assets.
- (b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.




(9) Intangible assets

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



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

	Years ended December 31,	
	2021	2020
Operating costs	\$ 1,835	\$ 2,180
Selling expenses	427	3,629
Administrative expenses	162,808	124,555
Research and development expenses	439,143	317,093
	<u>\$ 604,213</u>	<u>\$ 447,457</u>

B. The Company acquired registered or under-application trademark rights such as , , VIVITEK, 麗訊 and . The Company's trademarks are assessed to have finite useful lives. The remaining trademarks which have indefinite useful lives shall not be amortised but are tested for impairment annually.

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

	December 31, 2021	December 31, 2020
Goodwill:		
MES and others	<u>\$ 409,645</u>	<u>\$ 409,645</u>
Trademarks:		
Infrastructure business	<u>\$ 386,823</u>	<u>\$ 386,823</u>

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

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

(10) Other non-current assets

	December 31, 2021	December 31, 2020
Prepayments for business facilities	\$ 352,508	\$ 347,541
Cash surrender value of life insurance	35,934	43,512
Guarantee deposits paid	32,549	45,455
Financial assets at amortised cost - non-current	112,000	140,000
Others	25,105	93,736
	<u>\$ 558,096</u>	<u>\$ 670,244</u>

(11) Short-term borrowings

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

(12) Other payables

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

(13) Long-term borrowings

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

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

(14) Pensions

A. Defined benefit plan

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

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

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

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

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2020			
Balance at January 1	(\$ 3,576,648)	\$ 1,699,763	(\$ 1,876,885)
Current service cost	( 31,054)	-	( 31,054)
Interest (expense) income	( 26,507)	12,576	( 13,931)
Past service cost	6,548	-	6,548
	<u>( 3,627,661)</u>	<u>1,712,339</u>	<u>( 1,915,322)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	64,633	64,633
Change in financial assumptions	( 165,271)	-	( 165,271)
Change in demographic assumptions	( 6,512)	-	( 6,512)
Experience adjustments	37,959	-	37,959
	<u>( 133,824)</u>	<u>64,633</u>	<u>( 69,191)</u>
Pension fund contribution	-	347,665	347,665
Paid pension	193,580	( 179,511)	14,069
Effect of business combination	( 16,743)	13,891	( 2,852)
Balance at December 31	<u>(\$ 3,584,648)</u>	<u>\$ 1,959,017</u>	<u>(\$ 1,625,631)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2021	2020
Discount rate	0.7%	0.3%
Future salary increases rate	3.00%	3.00%

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

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

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

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

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to \$39,585.
- (g) As at December 31, 2021, the weighted average duration of the retirement plan is 10 years.

#### B. Defined contribution plan

Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2021 and 2020 were \$408,253 and \$372,375, respectively.

#### (15) Share capital

- A. In accordance with the Company’s Articles of Incorporation, the total authorised common stock is 4 billion shares (including 100 million shares for stock warrants conversion). As at December 31, 2021, the total issued and outstanding common stock was 2,597,543 thousand shares with par value of \$10 (in dollars) per share.
- B. On December 20, 2004, the Board of Directors of the Company adopted a resolution that allowed certain stockholders to issue 16 million units of global depository receipts (GDRs), represented by 80 million shares of common stock (Deposited Shares), with one unit of GDR representing 5

shares of common stock. After obtaining approval from SFB, these GDRs were listed on the Securities Exchange of Luxembourg on March 29, 2005, with total proceeds of US\$134,666 thousand. The issuance of GDRs was represented by outstanding shares, therefore, there is no dilutive effect on the common shares' equity. The main terms and conditions of the GDRs are as follows:

(a) Voting rights

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

(b) Redemption of GDRs

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

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

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

(d) After considering the stock dividend distribution year by year, as at December 31, 2021, there were 780 thousand units outstanding, representing 3,902 thousand common shares of the Company's common stock.

(16) Capital surplus

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

(17) Retained earnings

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

(a) Payment of all taxes and dues.

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

- (c) Set aside 10% of the remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.
- (d) Setting aside or reversing a special reserve according to relevant regulations when necessary.
- (e) The remainder along with beginning unappropriated earnings shall be shareholders' bonus. The appropriation of earnings shall be proposed by the Board of Directors and resolved by the shareholders. As the Company is in the growth stage, and taking into consideration the shareholders' benefits, financial health and business development, the amount of bonus distributed to shareholders shall be no less than 60% of the distributable earnings for the current period. Cash dividends shall be at least 15% of the bonus distributed to shareholders.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The appropriations of 2020 and 2019 earnings had been approved by the shareholders during their meeting on July 19, 2021 and June 10, 2020, respectively. Details are summarised below:

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

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

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



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

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

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

(18) Operating revenue

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

A. Disaggregation of revenue from contracts with customers

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

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

B. Contract assets and liabilities

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



equipment contract and resolution of communication equipment power resource system, etc.

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

	Years ended December 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance sales receipts, advance receipts for automation equipment contract and resolution of communication equipment power resource system, etc.	\$ 2,394,670	\$ 464,306

(19) Interest income

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

(20) Other income

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

(21) Other gains and losses

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

(22) Finance costs

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

(23) Expenses by nature

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

(24) Employee benefit expense

	Years ended December 31,	
	2021	2020
Post-employment benefits		
Defined contribution plan	\$ 408,253	\$ 372,375
Defined benefit plan	31,806	38,437
	<u>440,059</u>	<u>410,812</u>
Other employee benefits	15,456,796	14,431,623
	<u>\$ 15,896,855</u>	<u>\$ 14,842,435</u>

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

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

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

The Company's employee salary includes monthly salary, bonus, and employee compensation. The standard salary of the employee is determined based on the position, educational experience,

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

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

- B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$2,545,649 and \$2,421,097, respectively; while directors' remuneration was accrued at \$44,200 and \$29,400, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on profit of current year distributable as prescribed by the Company's Articles of Incorporation. The employees' compensation of \$2,545,649 and directors' remuneration of \$44,600 for 2021 were resolved by the Board of Directors on February 24, 2022.

The employees' compensation of \$2,421,097 and directors' remuneration of \$29,400 for 2020 were resolved by the Board of Directors on February 24, 2021. Employees' compensation and directors' remuneration as resolved by the Board of Directors were in agreement with the amounts recognised in the 2020 financial statements.

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

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

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

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

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

B. Reconciliation between income tax expense and accounting profit:

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

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

	2021				
	January 1	Recognised in profit or loss	Recognised in comprehensive income other	Recognised in equity	December 31
Deferred tax assets:					
- Temporary differences:					
Allowance for inventory obsolescence	\$ 191,519	\$ 51,607	\$ -	\$ -	\$ 243,126
Pension liability	320,975	( 39,449)	937	-	282,463
Assets impairment	12,511	( 5,940)	-	-	6,571
Others	151,198	30,315	-	-	181,513
	<u>676,203</u>	<u>36,533</u>	<u>937</u>	<u>-</u>	<u>713,673</u>
Deferred tax liabilities:					
- Temporary differences:					
Land value increment tax	( 119,862)	-	-	-	( 119,862)
Long-term equity investments	( 10,411,074)	( 1,226,086)	204,793	27,182	( 11,405,185)
Others	( 233,883)	( 181,995)	-	-	( 415,878)
	<u>( 10,764,819)</u>	<u>( 1,408,081)</u>	<u>204,793</u>	<u>27,182</u>	<u>( 11,940,925)</u>
	<u>(\$ 10,088,616)</u>	<u>(\$ 1,371,548)</u>	<u>\$ 205,730</u>	<u>\$ 27,182</u>	<u>(\$ 11,227,252)</u>

2020

	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:						
- Temporary differences:						
Land value increment tax	( 119,862)	-	-	-	-	( 119,862)
Long-term equity investments	( 9,254,665)	-	( 1,620,755)	476,157	( 11,811)	( 10,411,074)
Others	( 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>

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

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

(26) Earnings per share

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

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

(27) Business combinations

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

Based on the resolution of the Board of Directors on October 28, 2020, the Company consummated a short-form merger with the subsidiary, UNICOM, pursuant to Article 19 of the Enterprises Mergers and Acquisitions Act. The merger became effective on December 1, 2020. The Company was the surviving entity after the merger.



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

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

(28) Changes in liabilities from financing activities

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

## 7. RELATED PARTY TRANSACTIONS

### (1) Names and relationship of related parties

Names and relationship of related parties	Relationship with the Company
Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG)	Subsidiary
DEI Logistics (USA) Corp. (ALI)	"
Delta Electronics (Americas) Ltd.	"
CYNTEC ELECTRONICS (SUZHOU) CO., LTD.	"
Cyntec Co., Ltd. (Cyntec)	"
Delta Electronics Components (Wujiang) Ltd.	"
Digital Projection Ltd.	It was an associate before January 6, 2020, and has been a subsidiary since January 6, 2020
Digital Projection Inc.	"
Digital Projection Asia Pte Ltd.	Associate
Delta Networks (Xiamen) Ltd.	"
Bruce Cheng	Director of the Company

### (2) Significant transactions and balances with related parties

#### A. Operating revenue

	Years ended December 31,	
	2021	2020
Sales of goods:		
Subsidiaries		
ALI	\$ 8,247,436	\$ 7,857,459
Others	3,416,952	4,117,054
Associates	4,698	-
Director of the Company	3,719	21,905
	<u>\$ 11,672,805</u>	<u>\$ 11,996,418</u>
	Years ended December 31,	
	2021	2020
Sales of services and others:		
Subsidiaries		
DEIL-SG	\$ 16,839,802	\$ 16,076,400
Others	5,075,432	4,013,029
	<u>\$ 21,915,234</u>	<u>\$ 20,089,429</u>

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

## B. Purchases

	Years ended December 31,	
	2021	2020
Purchases of goods:		
Subsidiaries		
DEIL-SG	\$ 18,732,917	\$ 17,708,985
Others	331,374	305,440
Associates	18,288	-
Purchases of services and others:		
Subsidiaries		
Cyntec	2,048,473	1,844,949
	<u>\$ 21,131,052</u>	<u>\$ 19,859,374</u>

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

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

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

The receivables from related parties arise mainly from sales transactions. The receivables are due 90 days after the date of sale for ALI and 75 days after the date of sale for the others. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

## D. Period-end balances arising from purchases of goods

	December 31, 2021	December 31, 2020
Payables to related parties:		
Subsidiaries		
DEIL-SG	\$ 6,625,861	\$ 8,071,952
Others	609,492	599,597
Associates	6,673	-
	<u>\$ 7,242,026</u>	<u>\$ 8,671,549</u>

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

E. Period-end balances arising from other transactions

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables-related parties		
Subsidiaries		
DEIL-SG	\$ 301,878	\$ 498,414
ALI	46,189	58,818
Others	77,576	63,715
Associates	485	-
	<u>\$ 426,128</u>	<u>\$ 620,947</u>

The above pertain mainly to payments on behalf of others.

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

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

(3) Key management compensation

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

8. PLEDGED ASSETS

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

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,400,000	\$ -
Accounts payable	11,538,868	11,590,472
Other accounts payable	13,798,407	11,983,356
Long-term borrowings	43,303,780	38,618,445
Guarantee deposits received	1,131,776	130,119
	<u>\$ 71,172,831</u>	<u>\$ 62,322,392</u>
Lease liabilities (including current portion)	<u>\$ 443,290</u>	<u>\$ 491,766</u>

#### B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

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

##### (a) Market risk

##### Foreign exchange risk

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

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

	December 31, 2021		
	Foreign currency amount <u>(in thousands)</u>	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 502,569	27.660	\$ 13,901,047
<u>Non-monetary items</u>			
USD:NTD	\$ 4,961,222	27.660	\$ 137,227,403
THB:NTD	5,389,233	0.8300	4,473,063
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 587,769	27.660	\$ 16,257,702
December 31, 2020			
	Foreign currency amount <u>(in thousands)</u>	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 498,959	28.095	\$ 14,018,253
EUR:NTD	15,062	34.420	518,434
<u>Non-monetary items</u>			
USD:NTD	\$ 4,460,278	28.095	\$ 125,311,507
THB:NTD	4,864,229	0.9396	4,570,430
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 483,958	28.095	\$ 13,596,800
EUR:NTD	16,258	34.420	559,600

- iv. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to \$34,614 and (\$23,167), respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 139,010	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 162,577	\$ -
(Foreign currency: functional currency)	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 140,183	\$ -
EUR : NTD	1%	5,184	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 135,968	\$ -
EUR : NTD	1%	5,596	-

#### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$407 and \$256, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$10,605 and \$12,549, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.



### Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings mainly bear fixed and variable interest rate. During 2021 and 2020, the Company's borrowings at variable rate were denominated in NTD.

On December 31, 2021 and 2020, if the interest rate increases by 0.25%, with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased by \$86,608 and \$77,237, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments which were settled in accordance with trading conditions.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit controller. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only well rated parties are accepted.
- v. The Company adopts the assumption under IFRS 9, that is, if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vi. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are not expected to be recovered and are transferred to overdue receivables.
- vii. The Company classifies customers' accounts receivable and contract assets in accordance with customer types. The Company applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.
- viii. The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. There were no contract assets past due on December 31, 2021 and 2020. On December 31, 2021 and 2020, the

provision matrix of accounts receivable is as follows:

	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2021</u>			
Expected loss rate	0.00%	1.16%	25.00%
Total book value	\$ 5,284,138	\$ 253,937	\$ 8,781
Loss allowance	\$ -	\$ 2,956	\$ 2,195
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.01%	100.00%	
Total book value	\$ 5,429	\$ 4,745	\$ 5,557,030
Loss allowance	\$ 2,715	\$ 4,745	\$ 12,611
	<u>Not past due</u>	<u>1-90 days past due</u>	<u>91-180 days past due</u>
<u>At December 31, 2020</u>			
Expected loss rate	0.00%	0.54%	25.00%
Total book value	\$ 6,532,859	\$ 150,280	\$ 174,170
Loss allowance	\$ -	\$ 812	\$ 43,543
	<u>181-365 days past due</u>	<u>Over 366 days past due</u>	<u>Total</u>
Expected loss rate	50.00%	100.00%	
Total book value	\$ 7,278	\$ 45,462	\$ 6,910,049
Loss allowance	\$ 3,639	\$ 45,462	\$ 93,456

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

	<u>2021</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454
Acquired through business combinations	-	-	-	-	-
Reclassification	-	( 10,245)	-	10,245	-
Reversal of impairment loss	-	( 70,600)	-	( 284)	( 70,884)
Others	-	-	-	( 13)	( 13)
At December 31	\$ -	\$ 12,611	\$ -	\$ 10,946	\$ 23,557
	<u>2020</u>				
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>	<u>Total</u>
At January 1	\$ -	\$ 78,409	\$ -	\$ -	\$ 78,409
Provision for impairment	-	15,959	-	811	16,770
Write-offs	-	( 19,298)	-	-	( 19,298)
Others	-	18,386	-	187	18,573
At December 31	\$ -	\$ 93,456	\$ -	\$ 998	\$ 94,454

For provisioned loss for the years ended December 31, 2021 and 2020, the reversal of (provision for) impairment losses arising from customers' contracts amounted to \$70,884 and (\$16,770), respectively.

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities:

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,400,000	\$ -	\$ -	\$ -
Accounts payable (including related parties)	11,538,868	-	-	-
Other payables (including related parties)	13,798,407	-	-	-
Lease liabilities (including current portion)	28,461	23,863	47,299	343,667
Long-term borrowings	-	37,354,080	5,949,700	-

Non-derivative financial liabilities:

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable (including related parties)	\$ 11,590,472	\$ -	\$ -	\$ -
Other payables (including related parties)	11,983,356	-	-	-
Lease liabilities (including current portion)	64,021	19,749	49,323	358,673
Long-term borrowings	-	34,364,445	4,254,000	-

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

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient

frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

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

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

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 40,658	\$ -	\$ 7,064	\$ 47,722
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,060,528</u>	<u>-</u>	<u>75,112</u>	<u>1,135,640</u>
	<u>\$ 1,101,186</u>	<u>\$ 900,000</u>	<u>\$ 82,176</u>	<u>\$ 2,083,362</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 25,645	\$ -	\$ 21,819	\$ 47,464
Hybrid instruments	-	900,000	-	900,000
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>1,254,855</u>	<u>-</u>	<u>149,334</u>	<u>1,404,189</u>
	<u>\$ 1,280,500</u>	<u>\$ 900,000</u>	<u>\$ 171,153</u>	<u>\$ 2,351,653</u>

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

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

	<u>Listed shares</u>
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial

instruments is measured by using valuation techniques that are approved for financial management.

- (c) When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (e) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty.
- E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	Equity securities	Equity securities
At January 1	\$ 171,153	\$ 172,156
Acquired through business combinations	-	3,273
Losses recognised in other comprehensive income	( 88,931)	-
Gains (losses) recognised in profit or loss	16,870	( 4,276)
Acquired during the year	14,710	-
Proceeds from capital reduction	( 31,626)	-
At December 31	<u>\$ 82,176</u>	<u>\$ 171,153</u>

- G. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical review.

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

processes.

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

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 82,176	Most recent non-active market price	Not applicable	-	Not applicable
	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 171,153	Most recent non-active market price	Not applicable	-	Not applicable

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

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

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

capital or more: Please refer to table 6.

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Please refer to table 6, 7 and 8 for significant transactions of purchases, sales, receivables and payables of investee companies in the Mainland China, and transactions between the Company indirectly through investees in a third area, Delta Electronics Int'l (Singapore) Pte. Ltd. (DEIL-SG), with investee companies in the Mainland China, for the year ended December 31, 2021.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

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

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

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

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



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

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

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

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

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

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

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

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

**DELTA ELECTRONICS, INC.**  
**MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD**  
**YEAR ENDED DECEMBER 31, 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

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

Note 1: Shares in thousands.

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

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

Please refer to Note 6(7) disclosure.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

Note: A. As at December 31, 2021 and 2020, the number of the Company's employees were 9,786 and 9,710 (excluding overseas employees), including 6 and 6 non-employee directors, respectively.

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

- (a) The average employee benefit expense for the current year was \$1,621 thousand ('total employee benefit expense for the current year - total directors' remuneration / 'the number of employees in the current year - the number of non-employee directors'). The average employee benefit expense for the previous year was \$1,527 thousand ('total employee benefit expense for the previous year - total directors' remuneration' / 'the number of employees in the previous year - the number of non-employee directors').
- (b) The average employee salaries and wages for the current year was \$1,430 thousand (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors'). The average employee salaries and wages for the previous year was \$1,357 thousand (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors').
- (c) The variation in the adjustments of the average employee salaries and wages was 5.38%. ('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / 'the average employee salaries and wages for the previous year').
- (d) Please refer to Note 6(24)A. for the Company's compensation policy.

## Delta Electronics, Inc. and Subsidiaries

## Loans to others

Year ended December 31, 2021

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

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Fairview Assets Ltd.	Delta Controls Inc.	Other receivables - related parties	Yes	\$ 2,572,380	\$2,572,380	\$ 1,659,600	0.50%	2	\$ -	Additional operating capital	\$ -	None	\$ 28,519,112	\$ 28,519,112	Note 5	
1	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	16,914,090	16,914,090	16,914,090	0.5%-0.7%	2	-	Additional operating capital	-	None	28,519,112	28,519,112	Note 5	
2	Delta Networks Holding Limited	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	802,140	-	-	0.50%	2	-	Additional operating capital	-	None	1,827,419	1,827,419	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics (Netherlands) B.V.	Other receivables - related parties	Yes	18,808,800	15,130,020	15,130,020	0.5%-0.7%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Other receivables - related parties	Yes	2,212,800	-	-	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Drake Investment (HK) Limited	Other receivables - related parties	Yes	691,500	691,500	691,500	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Electronics (H.K.) Ltd.	Other receivables - related parties	Yes	12,170,400	12,170,400	12,170,400	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Delta Controls Inc.	Other receivables - related parties	Yes	387,240	387,240	387,240	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
3	Delta International Holding Limited B.V.	Digital Projection Inc.	Other receivables - related parties	Yes	63,618	63,618	63,618	0.70%	2	-	Additional operating capital	-	None	67,644,435	67,644,435	Note 5	
4	Eitek AS	Eitek Italia S.r.l.	Other receivables - related parties	Yes	31,250	31,250	31,158	1.90%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Electronics (Sweden) AB	Other receivables - related parties	Yes	91,500	61,000	61,000	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Eitek Power France SAS	Other receivables - related parties	Yes	78,125	-	-	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Solutions (Finland) Oy	Other receivables - related parties	Yes	31,250	-	-	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	
4	Eitek AS	Delta Electronics (Poland) Sp. z o.o.	Other receivables - related parties	Yes	99,402	99,402	99,402	0.60%	2	-	Additional operating capital	-	None	3,275,627	3,275,627	Note 5	

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 2)	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 7)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Eitek AS	Eitek s.r.o.	Other receivables - related parties	Yes	\$ 303,125	\$ 303,125	\$ 303,125	0.60%	2	-	Additional operating capital	\$ -	None	\$ 3,275,627	\$ 3,275,627	Note 5	
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics (Jiangsu) Ltd.	Other receivables - related parties	Yes	1,519,305	1,519,305	1,519,305	4.65%	2	-	Additional operating capital	-	None	4,155,257	4,155,257	Note 5	
6	Vivotek Inc.	Vates Inc.	Other receivables	No	270,000	-	-	1.09%	2	-	Additional operating capital	-	None	290,473	580,945	Note 6	
7	Delta Energy Systems (Germany) GmbH	Delta Energy Systems Property (Germany) GmbH	Other receivables - related parties	Yes	375,000	359,375	359,375	0.40%	2	-	Additional operating capital	-	None	695,111	695,111	Note 5	
8	DET International Holding Limited	Delta Electronics India Pvt. Ltd.	Other receivables - related parties	Yes	2,157,480	2,157,480	2,157,480	1.7%-4%	2	-	Additional operating capital	-	None	6,344,224	6,344,224	Note 5	
9	Delta Greentech (Netherlands) B.V.	Eitek s.r.o.	Other receivables - related parties	Yes	218,750	218,750	187,500	0.40%	2	-	Additional operating capital	-	None	1,123,039	1,123,039	Note 5	
10	Delta Greentech (China) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	1,666,894	1,610,463	1,610,463	3.85%	2	-	Additional operating capital	-	None	2,731,854	2,731,854	Note 5	
11	Delta Electronics (Shanghai) Co., Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Other receivables - related parties	Yes	583,413	583,413	583,413	3.85%	2	-	Additional operating capital	-	None	7,766,756	7,766,756	Note 5	

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

(1) The Company is '0'.

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

Note 2: Maximum outstanding balance during the current period was translated into New Taiwan dollars using the exchange rate at December 31, 2021, which the Company reported to the Securities and Futures Bureau.

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

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

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

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

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

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

Note 7: Nature of loans:

(1) Business transaction: 1.

(2) Short-term financing: 2.

Delta Electronics, Inc. and Subsidiaries  
 Provision of endorsements and guarantees to others  
 Year ended December 31, 2021  
 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, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser / guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 4)											
I	ELTEK AS	Delta Electronics (Australia) Pty Ltd	4	\$ 3,095,730	\$ 124,470	\$ 124,470	\$ 124,470	\$ -	0.08%	\$ 7,739,326	N	N	N	Note 2

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

(1) The Company is '0'.

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

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

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

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

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



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

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

Table 3

Securities held by Delta Electronics, Inc.	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics, Inc.	United Renewable Energy Co., Ltd. common stock	None	Financial assets at fair value through other comprehensive income - non-current	31,294,379	\$ 683,782	2.08%	\$ 683,782	
Delta Electronics, Inc.	Lanner Electronics Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	6,763,845	376,746	5.78%	376,746	
Delta Electronics, Inc.	Lanner Electronics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - non-current	-	900,000	-	900,000	
Delta Electronics, Inc.	WK Technology Fund. common stock, etc.	None	Financial assets at fair value through other comprehensive income and Financial assets at fair value through profit or loss	-	122,834	-	122,834	
Delta Electronics Capital Company	Tong Hsing Electronic Industries, Ltd. common stock	None	Financial assets at fair value through profit or loss - current	911,750	271,246	0.51%	271,246	
Delta Electronics Capital Company	Fusheng Precision Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	1,061,000	205,834	0.81%	205,834	
Delta Electronics Capital Company	Nien Made Enterprise Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - current	423,043	174,505	0.14%	174,505	
Delta Electronics Capital Company	Allied Supreme Corp. common stock	None	Financial assets at fair value through profit or loss - non-current	1,000,000	290,500	1.44%	290,500	
Delta Electronics Capital Company	Ampak Technology Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	1,800,000	213,786	2.99%	213,786	
Delta Electronics Capital Company	Acer E-Enabling Service Business Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	800,000	176,000	2.19%	176,000	
Delta Electronics Capital Company	AMIA Co., Ltd. common stock	None	Financial assets at fair value through profit or loss - non-current	2,000,000	131,980	3.18%	131,980	
Delta Electronics Capital Company	Evergreen Aviation Technologies Corporation common stock	None	Financial assets at fair value through profit or loss - non-current	3,000,000	189,000	0.85%	189,000	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Delta Electronics Capital Company	TaskEasy, Inc. common stock	None	Financial assets at fair value through profit or loss - non-current	2,633,872	\$ 141,008	7.51%	\$ 141,008	
Delta Electronics Capital Company	H20, Inc. common stock, etc.	None	Financial assets at fair value through profit or loss	-	1,373,728	-	1,373,728	
Delta Electronics (Netherlands) B.V.	Grace Connection Microelectronics Limited common stock	None	Financial assets at fair value through other comprehensive income - non-current	141,065	110,640	19.9%	110,640	
Delta Electronics (Netherlands) B.V.	Noda RF Technologies Co., Ltd. common stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	39,607	-	39,607	
Cyntee 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	
Cyntee Co., Ltd.	GaN Systems Inc. preferred stock, etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	161,319	-	161,319	
Delta Electronics (Japan), Inc.	Macy Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	74,000,000	29,890	19.79%	29,890	
Delta America, Ltd.	VPT Inc. common stock	None	Financial assets at fair value through other comprehensive income - non-current	860,000	4,841	17.52%	4,841	
Delta Electronics (Pingtan) Co., Ltd.	Pingtan Hi Tech Investment Development Shares Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	-	6,511	15.00%	6,511	
Vivotek Inc.	Kneron Holding Corporation preferred stock	None	Financial assets at fair value through profit or loss - non-current	1,310,003	197,148	2.04%	197,148	

Delta Electronics, Inc. and Subsidiaries  
 Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
 Year ended December 31, 2021  
 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, 2021		Addition		Disposal			Balance as at December 31, 2021		Footnote	
				Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares		Amount
Delta Electronics (H.K.) Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	(\$ 16,747)	-	\$ 1,007,644 (Note 1)	-	\$ -	-	\$ -	-	\$ 990,897	
Delta Electronics (Netherlands) B.V.	Opiovue, Inc.	Investments accounted for under equity method	None	5,190,330	728,129	-	( 7,933) (Note 2)	5,190,330	720,196 (Note 3)	720,196	-	-	-	
Delta International Holding Limited B.V.	March Networks Holdings Ltd. (Note 4)	Investments accounted for under equity method	None	-	-	10,000	3,468,894 (Note 5)	-	-	-	-	10,000	3,468,894	
Delta Networks (HK) Limited	Delta Networks (Dongguan) Ltd.	Investments accounted for under equity method	Affiliated enterprise	-	1,775,836	-	-	-	926,057	961,596 (Note 6)	-	-	814,240	

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

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

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

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

Note 5: Delta International Holding Limited B.V. increased its investments in Infinoa (Canada) Limited in the amount of \$3,472,680 in December 2021, which included investment income or loss recognised during the period and adjustments in changes of net value. The contingent consideration will be increased based on the adjustment rule in the contract, if the specified terms are subsequently satisfied.

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

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

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

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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	\$ 4,438,582	83.29	70 days				\$ 1,060,041	82.93	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	1,943,266	61.89	70 days				206,726	40.21	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	407,864	12.97	70 days				105,384	20.50	
Chenzhou Delta Technology Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	756,910	24.07	70 days				194,016	37.74	
Cyntec Co., Ltd.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	2,060,067	27.00	Note 1	Note 1	Note 1		554,396	38.36	
Cyntec Co., Ltd.	DEI Logistics (USA) Corp.	Affiliated enterprise	Operating revenue	205,454	2.67	90 days after delivery				77,066	5.33	
Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	99.72	Note 2	Note 2	Note 2		2,303,996	99.79	
Cyntec Electronics (WuHu) Co., Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	486,320	19.66	70 days				-	-	
Cyntec Electronics (WuHu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,987,028	80.34	70 days				831,228	100.00	
Delta Energy Systems (Germany) GmbH	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	2,008,607	84.32	70 days				35,416	9.30	
Delta Electronics India Pvt. Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	184,255	3.03	70 days				47,421	4.08	
Delta Electronics (Japan), Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	1,168,563	20.79	70 days				213,065	19.75	
Delta Electronics (Japan), Inc.	Delta Electronics (Thailand) Public Company Limited	Affiliated enterprise	Operating revenue	119,460	2.12	70 days				21,059	1.95	
Delta Electronics (Japan), Inc.	Delta Electronics, Inc.	Ultimate parent company	Operating revenue	125,333	2.21	70 days				39,510	3.66	
Delta Electronics (Netherlands) B.V.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	349,965	5.84	70 days				69,597	4.58	

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	\$ 20,947,034	9.23	70 days			\$ 5,261,466	9.37	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	14.09	70 days			3,518,289	6.26	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	2.42	70 days			961,354	1.71	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	2.53	70 days			903,077	1.60	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Chenzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	3,520,847	1.55	70 days			1,049,632	1.87	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Chenzhou Delta Technology Co., Ltd.	Affiliated enterprise	Operating revenue	282,686	0.13	70 days			51,394	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Co., Ltd.	Affiliated enterprise	Operating revenue	1,828,800	0.80	70 days			530,152	0.94	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (Suzhou) Co., Ltd.	Affiliated enterprise	Operating revenue	630,399	0.26	70 days			190,271	0.34	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Cyntec Electronics (WuHu) Co., Ltd.	Affiliated enterprise	Operating revenue	141,805	0.06	70 days			36,222	0.06	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics Solutions (Spain) SL	Affiliated enterprise	Operating revenue	229,432	0.05	150 days			106,210	0.19	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Solutions (Finland) Oy	Affiliated enterprise	Operating revenue	184,373	0.09	70 days			47,478	0.09	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Digital Projection Ltd.	Affiliated enterprise	Operating revenue	193,328	0.11	75 days after delivery			126,546	0.22	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics India Pvt. Ltd.	Affiliated enterprise	Operating revenue	1,675,119	0.71	90 days after delivery			537,974	0.96	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Italy) S.r.l.	Affiliated enterprise	Operating revenue	162,958	0.06	70 days			42,835	0.08	
Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Japan), Inc.	Affiliated enterprise	Operating revenue	2,963,137	1.30	70 days			629,279	1.12	



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

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

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Delta Electronics, Inc.	Cyntec Electronics (WuHu) Co., Ltd.	Subsidiary	Operating revenue	\$ 279,128	0.42	70 days			\$ 1	0.00	
Delta Electronics, Inc.	Delta Electronics India Pvt. Ltd.	Subsidiary	Operating revenue	213,485	0.31	90 days after delivery			30,397	0.21	
Delta Electronics, Inc.	Delta Electronics (Japan), Inc.	Subsidiary	Operating revenue	278,746	0.40	70 days			103,015	0.71	
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Subsidiary	Operating revenue	335,942	0.45	70 days			132,004	0.92	
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	25.92	70 days			3,415,571	23.62	
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Subsidiary	Operating revenue	2,773,177	4.09	70 days			454,866	3.16	
Delta Electronics, Inc.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	8,259,647	12.24	90 days after delivery			3,138,970	21.74	
Delta Electronics, Inc.	Delta Electronics (Americas) Ltd.	Subsidiary	Operating revenue	1,369,368	2.03	70 days			283,057	1.96	
Delta Electronics, Inc.	Digital Projection Inc	Subsidiary	Operating revenue	150,204	0.23	75 days after delivery			56,895	0.40	
Delta Electronics, Inc.	DELTA ELECTRONICS (USA) INC.	Subsidiary	Operating revenue	396,031	0.58	70 days			49,201	0.34	
Vivotek Inc.	Vivotek USA, Inc.	Affiliated enterprise	Operating revenue	570,566	12.00	90 days	Note 3	Note 3	154,838	22.00	

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

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

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

Delta Electronics, Inc. and Subsidiaries

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

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

Table 7

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

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

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

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

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

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

Delta Electronics, Inc. and Subsidiaries  
 Significant inter-company transactions during the reporting period  
 Year ended December 31, 2021  
 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.	DEI Logistics (USA) Corp.	Subsidiary	Operating revenue	\$ 8,259,647	(Note 5)	2.62
0	Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Subsidiary	Operating revenue	17,403,624	(Note 5)	5.53
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	4,687,136	(Note 4)	1.49
1	Delta Electronics (Dongguan) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	30,049,977	(Note 4)	9.55
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics (Shanghai) Co., Ltd.	Affiliated enterprise	Operating revenue	20,842,510	(Note 4)	6.62
2	Delta Electronics (Jiangsu) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	59,182,538	(Note 4)	18.81
3	Delta Electronics (Shanghai) Co., Ltd.	Delta Greentech (China) Co., Ltd.	Affiliated enterprise	Operating revenue	18,224,982	(Note 4)	5.79
4	Delta Networks (Dongguan) Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	6,082,173	(Note 4)	1.93
5	Delta Electronics (Wuhu) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	7,107,350	(Note 4)	2.26
6	Delta Electronics (Chenzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	4,458,582	(Note 4)	1.42
7	Cyntec Electronics (Suzhou) Co., Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Operating revenue	15,335,206	(Note 7)	4.87
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Dongguan) Co., Ltd.	Affiliated enterprise	Operating revenue	20,947,034	(Note 4)	6.66
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Jiangsu) Ltd.	Affiliated enterprise	Operating revenue	32,042,411	(Note 4)	10.18
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Networks (Dongguan) Ltd.	Affiliated enterprise	Operating revenue	5,473,230	(Note 4)	1.74
8	Delta Electronics Int'l (Singapore) Pte. Ltd.	Delta Electronics (Wuhu) Co., Ltd.	Affiliated enterprise	Operating revenue	5,801,651	(Note 4)	1.84



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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 8)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
11	Fairview Assets Ltd.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Affiliated enterprise	Other receivables - related parties	\$ 16,940,509	(Note 6)	4.64

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Lending of capital.

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

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

Delta Electronics, Inc. and Subsidiaries  
Information on investees  
Year ended December 31, 2021

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, 2021			Net profit (loss) of the investee for the year ended December 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics, Inc.	Delta International Holding Limited B.V.	Netherlands	Equity investments	\$ 8,922,118	\$ 8,922,118	67,680,000	100.00	\$ 67,930,550	\$ 1,262,627	\$ 1,236,811	(Note 6)
Delta Electronics, Inc.	Delta Networks Holding Limited	Cayman Islands	Equity investments	29,582	29,582	83,800,000	100.00	1,839,478	99,400	61,931	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Netherlands) B.V.	Netherlands	Sales of power products, display solution products, electronic components, industrial automation products and materials	4,529,355	4,529,355	128,492,272	100.00	23,258,370	6,167,401	5,733,781	(Note 6)
Delta Electronics, Inc.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	4,780,487	4,780,487	69,128,140	5.54	4,473,063	5,836,012	287,090	(Notes 6 and 13)
Delta Electronics, Inc.	Cyntec Co., Ltd.	Taiwan	Research, development, manufacturing and sales of film optic-electronic devices	12,067,931	12,067,931	2,341,204,333	100.00	32,778,207	1,107,200	964,114	(Note 6)
Delta Electronics, Inc.	DeIBio Inc.	Taiwan	Manufacturing, wholesale and retail of medical equipment	900,000	900,000	21,761,836	100.00	208,627	2,496	3,233	(Note 6)
Delta Electronics, Inc.	Delta Electronics Capital Company	Taiwan	Equity investments	3,253,241	3,253,241	350,000,000	100.00	4,024,563	552,543	552,543	(Note 6)
Delta Electronics, Inc.	Delta Electronics Int'l (Singapore) Pte. Ltd.	Singapore	Sales of electronic products	34,498	34,498	45,234,240	100.00	43,913,221	12,171,122	12,033,873	(Note 6)
Delta Electronics, Inc.	Allied Material Technology Corp.	Taiwan	Lease services, etc.	2,113,978	2,113,978	211,400,909	99.97	1,585,464	( 90,061)	( 90,034)	(Note 6)
Delta Electronics, Inc.	Delta America Ltd.	U.S.A.	Equity investments	103,065	103,065	2,100,000	10.26	285,784	386,583	13,774	(Notes 6 and 9)
Delta Electronics, Inc.	Vivotek Inc.	Taiwan	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components	4,361,352	4,217,016	47,692,058	55.09	4,110,543	188,138	5,510	(Note 6)
Delta Electronics, Inc.	Chunghwa SEA Holdings	Taiwan	Equity investments	8,800	-	880,000	44.00	8,569	( 525)	( 231)	(Note 18)
Delta International Holding Limited B.V.	Delta Electronics (Thailand) Public Company Limited	Thailand	Manufacturing and exporting power supplies, other electronic parts and components	11,915,297	11,915,297	191,984,450	15.39	11,818,732	5,836,012	678,798	(Note 13)
Delta International Holding Limited B.V.	DEI Logistics (USA) Corp.	U.S.A.	Warehousing and logistics services	79,412	79,412	1,000,000	100.00	220,910	7,328	7,328	(Note 1)
Delta International Holding Limited B.V.	Delta Electronics (Japan), Inc.	Japan	Sales of power products, display solution products, electronic components, industrial automation products and materials	79,079	79,079	5,600	100.00	717,423	123,652	123,652	(Note 1)
Delta International Holding Limited B.V.	Digital Projection International Ltd.	Britain	Equity investments	390,738	390,738	46,949,667	100.00	147,038	( 131,894)	( 142,166)	(Note 1)
Delta International Holding Limited B.V.	Vivitek Corporation	U.S.A.	Sales of projector products and their materials	-	41,490	-	-	-	( 8,495)	( 8,495)	(Notes 1 and 21)

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

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

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Delta Electronics (Thailand) Public Company Limited	DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	India	Manufacturing and marketing of electronic products	\$ 382	\$ -	110,999	100.00	\$ 53	\$ 456	(Notes 16 and 18)	
Vivotek Inc.	Vaties Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	305,651	-	-	-	(30,724)	(Note 19)	
Vivotek Inc.	Vivotek Holdings, Inc.	U.S.A.	Holding company	31,555	31,555	1,050	100.00	272,981	25,624	(Note 11)	
Vivotek Inc.	Realwin Investment Inc.	Taiwan	A venture capital company	173,696	173,696	17,369,635	100.00	139,748	31,336	(Note 11)	
Vivotek Inc.	Vivotek Netherlands B.V.	Netherlands	Sales service	11,418	11,418	3,000	100.00	121,210	1,938	(Note 11)	
Vivotek Inc.	Otus Imaging, Inc.	Taiwan	Sales of webcams and related components	44,294	44,294	6,000,000	100.00	47,109	1,183	(Note 11)	
Vivotek Inc.	Vivotek (Japan) Inc.	Japan	Sales service	17,939	17,939	6,600	100.00	22,542	330	(Note 11)	
Vivotek Holdings, Inc.	Vivotek USA, Inc.	U.S.A.	Sales of webcams and related components	28,480	28,480	10,000,000	100.00	323,079	25,630	(Note 10)	
Realwin Investment Inc.	Skywatek INC.	Taiwan	Wholesale of electronic equipment	755	755	50,070	0.88	-	(3,320)	(Note 14)	
Realwin Investment Inc.	Wellstates Investment, LLC	U.S.A.	Investment and commercial lease of real estate	34,859	34,859	-	100.00	49,981	3,410	(Note 12)	
Realwin Investment Inc.	Agtek Inc.	Taiwan	Sales of webcams and related components	34,045	34,045	3,372,500	56.21	62,814	29,676	(Note 12)	
Realwin Investment Inc.	Vivotek Middle East FZCO	United Arab Emirates	Sales of webcams and related components	-	11,242	-	-	-	10,436	(Notes 12 and 20)	
Realwin Investment Inc.	Lidlight Inc.	Taiwan	Sales of lighting equipment	10,200	10,200	1,020,000	51.00	3,095	712	(Note 12)	
Realwin Investment Inc.	Vaties Inc.	Taiwan	Designing and sales of multimedia integrated circuits	-	31,123	-	-	-	(30,724)	(Note 19)	

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

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

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

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

Note 5: The Company's second-tier subsidiary, which was recognised as investment gains/losses through 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 B.V. and Delta Electronics Int'l (Singapore) Pte. Ltd., respectively, considering 5.54% equity shares held by the Company, the total ownership was 63.78%.

Note 14: The Company's associate was recognised as investment gains/losses due to significant influence by the Company's second-tier subsidiary Realwin Investment Inc., which owns one board member in the Company.

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

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

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

Note 18: Established or invested during 2021.  
Note 19: The Group disposed 54.41% equity shares of Vafies Inc. to Kneron Holding Corporation on June 30, 2021. As of that date, the Group lost control over the aforementioned entity; thus it was not included as a consolidated entity of the Group since the date.  
Note 20: Dissolved and liquidated in August 2021.  
Note 21: Dissolved and liquidated in April 2021.  
Note 22: The Group disposed all of its shares in Optovue in June 2021 as resolved by the Board of Directors, and the related procedures were completed in July.

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

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

Table 10

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



Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Mainland China to Taiwan as at December 31, 2021	Net income (loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 21)	Book value of investments in Mainland China as at December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2021	Footnote
Delta Networks (Dongguan) Ltd.	Main business activities Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system	\$ 1,258,530	Invested by DNHK	\$ 1,236,577	\$ -	\$ 1,236,577	\$ 123,789	100.00	\$ 123,789	\$ 1,661,715	\$ 608,520	(Notes 5 and 26)
Delta Networks (Xiamen) Ltd.	Operation of radio transmission apparatus, and automatic data processing, reception, conversion and transmission or regeneration of voice, images or other data of the machine, including switches and routers, with a special program to control a computer or word processor with memory business	64,020	Invested by DNHK	19,362	-	19,362	( 3,791)	30.00	( 1,137)	16,119	-	(Note 16)
DelBio (Wujiang) Co., Ltd.	Manufacturing, wholesale and retail of medical equipment	110,640	Invested by DelBio	110,640	-	110,640	6,614	100.00	6,593	181,793	-	(Note 18)
Chenzhou Delta Technology Co., Ltd.	Manufacturing and sales of transformers	110,692	Invested by DCZ	-	-	-	49,456	100.00	49,275	241,900	-	(Note 13)
Delta Energy Technology (Shanghai) Co., Ltd.	Energy performance contracting, development of energy-saving technology, energy-saving equipment and energy management system as well as consulting service, installation, sales, etc.	43,409	Invested by DPEC and DGC	-	-	-	1,486	96.32	1,486	33,427	-	(Note 13 and 22)
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	Energy technology, development and consulting of environmental technical skills, and design and sales of energy saving equipment	434	Invested by DET-SH	-	-	-	1,012	96.32	1,012	1,889	-	(Note 13 and 22)
Guangzhou Amerlux Lighting Co., Ltd.	Wholesale of lighting fixture and decorative objects	13,139	Invested by Amerlux Lighting Hong Kong Limited	166,582	-	166,582	98,541	100.00	98,541	118,895	-	(Notes 11 and 19)
Delta Greentech (China) Co., Ltd.	Sales of uninterruptible power systems	2,465,614	Invested by Drake-HK, Boom and DGSG	8,458,778	-	8,458,778	1,053,390	95.91	1,010,316	6,473,416	-	(Notes 4 and 14)
Cyntec Electronics (Wuhu) Co., Ltd.	Technology services; development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique	1,355,340	Invested by DHK	27,660	802,140	829,800	( 340,588)	100.00	( 340,588)	990,897	-	(Notes 15 and 24)
Fujian Kaixin Construction Engineering Co., Ltd.	Constructions of buildings and structures, steel structures, building decoration, earth work, municipal public works and landscape as well as design and construction of hydraulic and hydroelectric engineering and structural reinforcement and reconditioning	108,522	Invested by DPT	-	-	-	-	40.00	679	12,835	-	(Note 13)

Note 1: The capital was translated based on the capital certified report of the investee companies into New Taiwan Dollars at the average exchange rate of RMB 6.372 to US\$1 and NTD 4.34087 to RMBS1.

Note 2: The accumulated remittance as at January 1, 2021, remitted or collected this period, accumulated remittance as at December 31, 2021 and investment income remitted back as at December 31, 2021 was translated into New Taiwan Dollars at the average exchange rate of NTD 27.66 to US\$1 at the balance sheet date.

Note 3: Except for the facility of US\$166,775 thousand (the amount include former Delta Electronics Power (Dongguan) Co., Ltd.) permitted by Investment Commission, the capitalisation of earnings of US\$27,081 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

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

Note 5: Except for the facility of US\$44,706 thousand permitted by Investment Commission, the capitalisation of earnings of US\$21,812 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 6: Except for the facility of US\$15,643 thousand permitted by Investment Commission, the capitalisation of earnings of US\$ 110,401 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 7: Except for the facility of US\$17,111 thousand permitted by Investment Commission, the capitalisation of earnings of US\$120,320 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 8: Except for the facility of US\$4,275 thousand permitted by Investment Commission, the capitalisation of earnings of US\$59,220 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 9: Except for the facility of US\$33,085 thousand permitted by Investment Commission, the capitalisation of earnings of US\$265 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 10: Except for the facility of US\$457 thousand permitted by Investment Commission, the capitalisation of earnings of US\$7,268 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 11: On July 15, 2020, the Investment Commission permitted that the unused facility of US\$3,578 thousand from the facility of US\$9,600 thousand initially permitted by Investment Commission was retired as the payment of transfer price was made.

Note 12: Delta Electronics (Jiangsu) Ltd. merged with Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. on January 1, 2021. Under the merger, Delta Electronics (Jiangsu) Ltd. was the surviving company while Delta Electronics Components (Wujiang) Ltd. and Delta Video Display System (Wujiang) Ltd. were the dissolved companies.

Note 13: According to the regulations of the Investment Commission, the reinvestment of the investee companies in Mainland China is not required to obtain the approval of the Investment Commission; thus the investment amounts are excluded from the calculation of investment the Company's ceiling of amount in Mainland China.

Note 14: Jointly invested through Drake Investment (HK) Limited, DELTA GREENTECH SGP Pte. Ltd. and Boom Treasure Limited.

Note 15: Invest through Delta Electronics (H.K.) Ltd.

Note 16: Invest through Delta Networks (HK) Limited.

Note 17: Invest through Cytotec Holding (HK) Limited.

Note 18: Invest through DelBio Inc.

Note 19: Invest through Amerlux Lighting Hong Kong Limited.

Note 20: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June, 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

Note 21: The company recognised investment income / loss based on the audited financial statement.

Note 22: Delta Energy Technology Puhuan (Shanghai) Co., Ltd. merged with Delta Energy Technology (Shanghai) Co., Ltd. in August 2021. After the merger, Delta Energy Technology Puhuan (Shanghai) Co., Ltd. would be the surviving company while Delta Energy Technology (Shanghai) Co., Ltd. would be the dissolved company. As of December 31, 2021, the procedure was still in process.

Note 23: Except for the facility of US\$198,462 thousand permitted by Investment Commission, the capitalisation of earnings of US\$4,000 thousand permitted by Investment Commission is excluded from Cytotec Co., Ltd.'s amount of investment in Mainland China.

Note 24: Except for the facility of US\$30,000 thousand permitted by Investment Commission, the capitalisation of earnings of US\$19,000 thousand permitted by Investment Commission is excluded from the Company's amount of investment in Mainland China.

Note 25: This company had been liquidated in December 2021.

Note 26: Jointly invested through Delta Electronics (H.K.) Ltd. and Delta Networks (HK) Limited.

Company name	Accumulated amount remitted from Taiwan to Mainland China as at December 31, 2021	Investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Delta Electronics, Inc. (Notes 2 and 3)	\$ 27,651,858	\$ 28,022,364	\$ -
Cyntec Co., Ltd. (Note 5)	5,233,614	5,233,614	16,509,859
DeIBio Inc. (Note 4)	110,640	110,640	125,421

Note 1: The accumulated amount remitted out of Taiwan to Mainland China and investment amount approved by the investment commission was translated into New Taiwan Dollars at the average exchange rate of NT\$27.66 to US\$1 at the balance sheet date.

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

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

Note 4: The ceiling is calculated based on DeIBio Inc.'s 60% of net assets as at December 31, 2021.

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

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

Table 11

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

▶ 7.3 Audit committee's report for the most recent year's financial statement

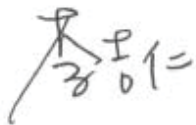
Audit Committee's Review Report

Attention: Annual General Shareholders' Meeting of Delta Electronics, Inc. 2022

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 2021 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: Ji-Ren Lee

A handwritten signature in black ink, appearing to read 'Ji-Ren Lee'.

Date: February 24, 2022

## ► 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, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current Assets		\$147,703,878	\$157,305,906	\$147,558,191	\$174,886,855	\$196,878,194	\$201,707,992
Property, Plants and Equipment (Note 2)		44,338,628	46,428,874	63,590,981	68,441,975	76,607,285	79,143,617
Intangible Assets		33,833,648	32,628,388	82,432,653	75,459,630	73,609,564	75,163,017
Other Assets (Note 2)		24,662,405	25,572,256	17,455,465	17,627,755	18,017,267	18,178,689
Total Assets		250,538,559	261,935,424	311,037,290	336,416,215	365,112,310	374,193,315
Current Liabilities	Before Distribution	89,221,147	80,628,980	85,726,160	94,023,501	108,169,477	103,655,143
	After Distribution	102,208,864	93,616,697	98,713,877	108,309,989	(Note 4)	(Note 4)
Non-Current Liabilities		27,543,938	41,845,536	50,956,688	63,803,073	70,818,175	70,684,968
Total Liabilities	Before Distribution	116,765,085	122,474,516	136,682,848	157,826,574	178,987,652	174,340,111
	After Distribution	129,752,802	135,462,233	149,670,565	172,113,062	(Note 4)	(Note 4)
Equity attributable to owners of the parent		124,556,969	130,271,159	140,156,877	145,899,338	154,786,522	166,606,432
Share Capital		25,975,433	25,975,433	25,975,433	25,975,433	25,975,433	25,975,433
Capital Surplus		48,446,318	48,397,067	49,103,331	49,202,505	49,114,151	48,944,961
Retained Earnings	Before Distribution	57,223,361	63,459,691	72,700,147	83,264,608	95,863,661	102,050,896
	After Distribution	44,235,644	50,471,974	59,712,430	68,978,120	(Note 4)	(Note 4)
Other Equity		(7,088,143)	(7,561,032)	(7,622,034)	(12,543,208)	(16,166,723)	(10,364,858)
Treasury Stock (Note 5)		-	-	-	-	-	-
Non-controlling interest		9,216,505	9,189,749	34,197,565	32,690,303	31,338,136	33,246,772
Total Equity	Before Distribution	133,773,474	139,460,908	174,354,442	178,589,641	186,124,658	199,853,204
	After Distribution	120,785,757	126,473,191	161,366,725	164,303,153	(Note 4)	(Note 4)

Note 1 : All financial data from 2017 to 2021 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, 2022 is the financial report on March 31, 2022.

Note 4 : The earnings distribution for 2021 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	Financial information for the most recent five years (Note 1)					Current year to March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Sales Revenue	\$223,577,514	\$237,017,809	\$268,131,397	\$282,605,493	\$314,670,796	\$82,538,075
Gross Profit	60,768,274	63,554,387	74,496,145	87,212,378	90,209,451	22,512,556
Operating Profit	19,773,788	18,166,723	19,408,790	31,425,804	31,364,741	7,469,120
Non-operating Income and Expenses	4,024,492	4,634,305	9,745,619	2,849,479	4,262,806	1,070,257
Profit before Income Tax	23,798,280	22,801,028	29,154,409	34,275,283	35,627,547	8,539,377
Profit from Continued Operations	18,756,952	18,648,584	23,927,756	27,384,339	28,499,233	6,830,790
Gain (Loss) from Discontinued Operations (Note 3)	-	-	-	-	-	-
Profit for the Year	18,756,952	18,648,584	23,927,756	27,384,339	28,499,233	6,830,790
Other Comprehensive Income (Loss) for the Year	(5,155,742)	602,036	(62,017)	(8,950,039)	(4,958,506)	7,105,808
Total Comprehensive Income for the Year	13,601,210	19,250,620	23,865,739	18,434,300	23,540,727	13,936,598
Profit Attributable to Owners of the Parent	18,380,552	18,193,093	23,117,797	25,485,231	26,796,302	6,058,622
Profit Attributable to Non-controlling Interest	376,400	455,491	809,959	1,899,108	1,702,931	772,168
Comprehensive Income Attributable to Owners of the Parent	13,430,608	18,813,838	22,165,228	18,689,957	23,262,018	11,989,100
Comprehensive Income Attributable to Non-controlling Interest	170,602	436,782	1,700,511	(255,657)	278,709	1,947,498
Earnings Per Share	7.08	7.00	8.90	9.81	10.32	2.33

Note 1: All financial data from 2017 to 2021 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, 2022 is the financial reports on March 31, 2022.

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, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Current Assets		\$13,822,923	\$12,787,307	\$16,545,412	\$24,105,871	\$29,163,810	NA
Property, Plants and Equipment (Note 3)		11,834,121	14,686,584	19,793,789	23,201,266	24,975,829	
Intangible Assets		801,261	944,431	1,008,581	1,338,725	1,907,000	
Other Assets (Note 3)		136,671,248	148,613,876	164,456,369	176,679,099	188,615,018	
Total Assets		163,129,553	177,032,198	201,804,151	225,324,961	244,661,657	
Current Liabilities	Before Distribution	17,887,966	19,991,835	22,589,246	27,265,368	30,920,291	
	After Distribution	30,875,683	32,979,552	35,576,963	41,551,856	(Note 4)	
Non-Current Liabilities		20,684,618	26,769,204	39,058,028	52,160,255	58,954,844	
Total Liabilities	Before Distribution	38,572,584	46,761,039	61,647,274	79,425,623	89,875,135	
	After Distribution	51,560,301	59,748,756	74,634,991	93,712,111	(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		48,446,318	48,397,067	49,103,331	49,202,505	49,114,151	
Retained Earnings	Before Distribution	57,223,361	63,459,691	72,700,147	83,264,608	95,863,661	
	After Distribution	44,235,644	50,471,974	59,712,430	68,978,120	(Note 4)	
Other Equity		(7,088,143)	(7,561,032)	(7,622,034)	(12,543,208)	(16,166,723)	
Treasury Stock (Note 5)		-	-	-	-	-	
Non-controlling interest		-	-	-	-	-	
Total Equity	Before Distribution	124,556,969	130,271,159	140,156,877	145,899,338	154,786,522	
	After Distribution	111,569,252	117,283,442	127,169,160	131,612,850	(Note 4)	

Note 1: All financial data from 2017 to 2021 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, 2022, 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 2021 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, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Sales Revenue		\$38,577,747	\$38,948,885	\$47,945,673	\$58,184,137	\$66,921,116	NA
Gross Profit		4,517,782	12,535,782	16,350,556	21,948,273	25,852,083	
Operating Profit		2,332,328	1,437,896	1,609,646	5,672,297	8,566,141	
Non-operating Income and Expenses		17,671,868	16,933,685	23,586,291	22,878,611	21,554,000	
Profit before Income Tax		20,004,196	18,371,581	25,195,937	28,550,908	30,120,141	
Profit from Continued Operations		18,380,552	18,193,093	23,117,797	25,485,231	26,796,302	
Gain (Loss) from Discontinued Operations (Note 3)		-	-	-	-	-	
Profit for the Year		18,380,552	18,193,093	23,117,797	25,485,231	26,796,302	
Other Comprehensive Income (Loss) for the Year		(4,949,944)	620,745	(952,569)	(6,795,274)	(3,534,284)	
Total Comprehensive Income for the Year		13,430,608	18,813,838	22,165,228	18,689,957	23,262,018	
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		7.08	7.00	8.90	9.81	10.32	

Note 1: All financial data from 2017 to 2021 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, 2022, 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				
		2017	2018	2019	2020	2021
Names of the CPA		Lin, Yu-Kuan	Lin, Yu-Kuan	Lin, Yu-Kuan	Lin, Yu-Kuan	Lin, Yu-Kuan
		Chou, Chien-Hung	Chou, Chien-Hung	Chou, Chien-Hung	Chou, Chien-Hung	Chou, Chien-Hung
Audit Opinion		Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion

## ► 7.5 Financial analyses for the past 5 fiscal years

### 7.5.1 Consolidated Financial Analysis – Based on IFRSs

Analysis Item (Note 3)		Financial Analysis for the Past Five Fiscal Years					Comments of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021		
Financial Structure (%)	Debt Ratio	46.61	46.76	43.94	46.91	49.02	NA	46.59
	Ratio of Long-term Capital to Property, Plant and Equipment	343.04	370.71	300.54	306.39	294.50	NA	299.82
Solvency (%)	Current Ratio	165.55	195.10	172.13	186.00	182.01	NA	194.60
	Quick Ratio	129.06	151.13	123.46	135.95	118.63	NA	127.63
	Interest Coverage Ratio	6,381.53	4,277.51	4,084.23	9,219.72	12,170.71	Comment 1	11,714.41
Operating Performance	Accounts Receivable Turnover (Times)	4.12	4.13	4.59	4.65	4.67	NA	4.63
	Average Collection Days	88.59	88.38	79.52	78.49	78.16	NA	78.83
	Inventory Turnover (Times)	5.15	4.76	4.58	4.02	3.57	NA	3.19
	Accounts Payable Turnover(Times)	4.32	4.42	4.84	4.53	4.43	NA	4.53
	Average Days in Sales	70.87	76.68	79.69	90.80	102.24	NA	114.42
	Property, Plant and Equipment Turnover (Times)	5.27	5.22	4.87	4.28	4.34	NA	4.24
	Total Assets Turnover (Times)	0.92	0.92	0.94	0.87	0.90	NA	0.89
profitability	Return on Total Assets (%)	7.70	7.27	8.27	7.97	7.71	NA	6.62
	Return on Equity (%)	14.78	14.28	17.10	17.82	17.82	NA	15.08
	Pre-tax Income to Paid- in Capital Ratio (%) (Note 7)	91.62	87.78	112.24	131.95	137.16	NA	131.50
	Profit Ratio (%)	8.22	7.68	8.62	9.02	8.52	NA	7.34
	Earnings Per Share (NT\$)	7.08	7.00	8.90	9.81	10.32	NA	2.33
Cash Flow	Cash Flow Ratio (%)	30.23	29.36	48.89	49.83	26.18	Comment 2	26.99
	Cash Flow Adequacy Ratio (%)	107.66	103.11	90.33	93.31	76.06	NA	88.37
	Cash Reinvestment Ratio (%)	7.92	5.27	13.63	13.96	5.31	Comment 2	9.95
Leverage	Operating Leverage	3.04	3.41	3.75	2.70	2.80	NA	2.96
	Financial Leverage	1.02	1.03	1.04	1.01	1.01	NA	1.01

Comments of financial ratio difference exceeding 20% for the last two years:

Comment 1: The increase in interest coverage ratio was mainly due to the increase in profit and decrease in interest expenses.

Comment 2: The decrease in cash ratio and cash reinvestment ratio was mainly due to the increase in operating income.

Note 1: The financial analysis figures from 2017 to 2021 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, 2022 is the financial reports on March 31, 2022 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 semiannual 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 Item (Note 3)		Financial Analysis for the Last Five Years					Comments of financial ratio difference exceeding 20% for the last two years	Current year to March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021		
Financial Structure (%)	Debt Ratio	23.65	26.41	30.55	35.25	36.73	NA	NA
	Ratio of Long-term Capital to Property, Plant and Equipment	1,227.31	1,069.28	905.41	853.66	855.79	NA	
Solvency (%)	Current Ratio	77.27	63.96	73.24	88.41	94.32	NA	
	Quick Ratio	65.89	51.62	52.66	69.17	67.87	NA	
	Interest Coverage Ratio	26,102.10	22,009.01	19,068.13	15,475.16	14,394.87	NA	
Operating Performance	Accounts Receivable Turnover (Times)	4.56	4.77	5.38	4.88	4.66	NA	
	Average Collection Days	80.04	76.52	67.84	74.80	78.33	NA	
	Inventory Turnover (Times)	23.09	14.54	9.67	7.16	5.80	NA	
	Accounts Payable Turnover (Times)	4.47	3.26	3.34	3.34	3.55	NA	
	Average Days in Sales	15.81	25.10	37.75	50.98	62.93	Comment 1	
	Property, plant and equipment Turnover (Times)	3.34	2.94	2.78	2.71	2.78	NA	
	Total Assets Turnover (Times)	0.24	0.23	0.25	0.27	0.28	NA	
Profitability	Return on Total Assets (%)	11.43	10.74	12.26	12.00	11.47	NA	
	Return on Equity (%)	14.78	14.28	17.10	17.82	17.82	NA	
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 4)	77.01	70.73	97.00	109.92	115.96	NA	
	Profit Ratio (%)	47.65	46.71	48.22	43.80	40.04	NA	
	Earnings Per Share (NT\$)	7.08	7.00	8.90	9.81	10.32	NA	
Cash Flow	Cash Flow Ratio (%)	103.19	34.40	43.75	30.00	38.87	Comment 2	
	Cash Flow Adequacy Ratio (%)	72.91	65.45	61.65	58.63	56.78	NA	
	Cash Reinvestment Ratio (%)	3.66	-3.77	-1.67	-2.34	-1.02	Comment 2	
Leverage	Operating Leverage	2.28	8.60	10.52	4.08	3.18	Comment 3	
	Financial Leverage	1.03	1.06	1.09	1.03	1.03	NA	

Comments of financial ratio difference exceeding 20% for the last two years:

Comment 1: The increase in average days in sales was mainly due to the increase in average gross inventories.

Comment 2: The increase in cash flow ratio and the decrease in cash reinvestment ratio was mainly due to the increase in net cash flow from operating activities.

Comment 3: The decrease in operating leverage was mainly due to the decrease in investment in fixed cost.

Note 1: The financial analysis figures from 2017 to 2021 are audited by CPA.

Note 2: The financial analysis reviewed by the CPA on the date of publication of this annual report April 28, 2022, 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, 2021	December 31, 2020	Difference		Comment (Note)
				Amount	%	
Current assets		\$196,878,194	\$174,886,855	\$21,991,339	13	NA
Property, plant and equipment		76,607,285	68,441,975	8,165,310	12	NA
Intangible assets		73,609,564	75,459,630	(1,850,066)	(2)	NA
Other assets		18,017,267	17,627,755	389,512	2	NA
Total assets		365,112,310	336,416,215	28,696,095	9	NA
Current liabilities		108,169,477	94,023,501	14,145,976	15	NA
Non-current liabilities		70,818,175	63,803,073	7,015,102	11	NA
Total liabilities		178,987,652	157,826,574	21,161,078	13	NA
Share capital		25,975,433	25,975,433	-	-	NA
Capital surplus		49,114,151	49,202,505	(88,354)	-	NA
Retained earnings		95,863,661	83,264,608	12,599,053	15	NA
Other equity interest		(16,166,723)	(12,543,208)	(3,623,515)	29	Comment 1
Non-controlling interest		31,338,136	32,690,303	(1,352,167)	(4)	NA
Total equity		186,124,658	178,589,641	7,535,017	4	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 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	2021	2020	Increased (decreased) amount	Rate of variance (%)	Comment on the difference analysis for the rate of variance (Note)
Operating revenue		\$314,670,796	\$282,605,493	\$32,065,303	11	NA
Operating costs		224,461,345	195,393,115	29,068,230	15	NA
Gross profit		90,209,451	87,212,378	2,997,073	3	NA
Operating expense		58,844,710	55,786,574	3,058,136	5	NA
Operating profit		31,364,741	31,425,804	(61,063)	0	NA
Non-operating income and expenses		4,262,806	2,849,479	1,413,327	50	Comment 1
Profit before income tax		35,627,547	34,275,283	1,352,264	4	NA
Income tax expense		7,128,314	6,890,944	237,370	3	NA
Gain (Loss) from discontinued operations		-	-	-	-	NA
Profit for the period		28,499,233	27,384,339	1,114,894	4	NA
Other comprehensive income (loss) for the period		(4,958,506)	(8,950,039)	3,991,533	(45)	Comment 2
Total comprehensive income for the period		23,540,727	18,434,300	5,106,427	28	Comment 2

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-operating income and expenses was mainly due to the increase in gain on foreign exchange.

Comment 2: The increase in other comprehensive income (loss) for the period and increase in total comprehensive income for the period was mainly due to the increase 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, 2021	December 31, 2020	Increase (decrease)
				(%)
Cash flow ratio		26.18%	49.83%	(47)
Cash flow adequacy ratio		76.06%	93.31%	(18)
Cash reinvestment ratio		5.31%	13.96%	(62)

Analysis of change in variance: The decrease in cash flow ratio and cash reinvestment ratio was mainly due to the decrease in net cash inflow generated from operations for the period.

**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
\$49,855,053	\$49,224,000	\$53,144,000	\$45,935,053	\$ -	\$ -

##### 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 funds sources	Actual or expected date of project completion	Required amount	Actual or expected capital expenditures		
				2020	2021	2022
Procurements of self-use machinery and equipment (Note)	Own funds	2022.12.31	\$34,859,553	\$8,130,394	\$13,776,325	\$12,952,834
Investments in domestic companies	Own funds	2022.12.31	2,247,419	1,566,190	681,229	0
Investments in foreign companies	Own funds	2022.12.31	7,826,946	1,605,752	3,762,220	2,458,974
Procurement (or Construction) of factories and office buildings (Note)	Own funds	2022.12.31	16,378,428	7,850,434	6,602,048	1,925,946

Note: Includes construction in progress and machineries that require acceptance.

**8.4.2. Estimated benefits**

8.4.1.1 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.

8.4.1.2 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 and integrate new and unprofitable subsidiaries, enabling some of them to rapidly reduce losses and reach profitability targets and bring synergies.



## ► 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, 2022), 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, the Board of Directors of Company has approved the issuance of domestic unsecured ordinary corporate bond with a fixed interest rate on February 24, 2022 for the aggregate amount not exceeding NTD 50 billion. Among them, the total amount of NT\$6.6 billion for the 1st issuance of unsecured ordinary corporate bond in 2022 was fully received on April 7, 2022, and was used to repay the existing bank loans with floating rate. Within the amount approved by the Board of Directors, domestic unsecured corporate bonds with fixed interest rates will be continuously issued depending on the market condition, so as to ensure the stability of long-term funds and reduce the risk of interest rate fluctuations.

#### 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. Therefore, the exchange rate fluctuations are considered to be minimal.

#### 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 104.32 in the year 2021 with a 1.96% increase 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 others 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 guaran- tee". 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 2021 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 at least 8% of the consolidated revenue appropriated stably as the budget for R&D work every year. Take the year 2021 as an example. Including bonuses for its employees, Delta has appropriated a budget of about 27.2 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	Concept III, Development of 48V integrated EV power module system	2024
	Development of Software engineering with AutoSAR, ISO 26262, and MBSE	2023
	Development of 800V traction inverter with 1200-V SiC MOSFET power module	2025
	Developing motor models and its emulator	2024
	Developing rare earth-free traction motor	2026
	High voltage with Multi output sets adaptor	2022
	The power supply based on 3rd generation semiconductors	2023
	Slim and Multi-Output Power Supply	2022
	Development of ferrite material system for the high inductance, low DCR automotive inductors	2022
	Development of alloy powder materials for the xEV high-power reactors	2022
	High Power-Density VRM	2022
	50Gb/s and 64GFC short reach multi-mode optical transceiver and 400Gb/s multi-mode active optical cable (AOC)	2022
	Miniaturization Thin Film Coil Inductor	2023
	Development of high performance and miniaturization couple inductor	2023
	High reliability inductor for powertrain system	2023
	High precision and high safety shunt current module for XEV battery management system	2023
	Miniaturization 5G mm Wave Antenna module	2023
	New high pressure & low noise fan with new airfoil development	2022
	New Generation high efficiency, harsh environment resistance, durable and long-life DC fan in new energy solution application	2022
	Fan for thermal management in Auto EV	2023
Multi-function DC fan heater with LED lighting	2022	
High Efficiency high power air mover development	2022	
Automation	O3 Edge, the edge computing sensor	2022
	Smart Building iBMS Platform –Virtualization module for Inspection and repair function	2022
	UNO Clear Zone System	2022
	UNOnext for BACnet MS/TP	2022
	UNOlite	2022
	Smart Solution for Day Care Center	2022
	Vendor Vehicle Management System	2022
	220~440Vac high and wide voltage input range 1200W saury fishing light	2022
	Delta U+ UVC disinfection Care 222® Serie	2022
	CP2000-L Delta Fan/Pump Vector Control Drive Lite series	2022
	ASD-A3 200V Drive (4.5kW~15kW)	2022
	ASD-A3 400V Drive (400W~15kW)	2022
	ASM-B3 400V Servo Motor 100W~15kW (Frame 40/60/80/130/180/220)	2022
	Miniaturized Remote EtherCAT IO module series	2022
	Slim Type Multi-Channel Modular Temperature Controller	2022
	EB-3000 advanced Close-loop Elevator drive	2022
	APF3000 new generation Active Power Filter	2022
	New Generation Multi Axis Drive-integrated Motion Controller	2022

Business Fields	Project	Estimated Production Schedule
Automation	New generation of CNC Controller	2022
	ASM-B3H/B3G Ultra-high Inertia Type 400W/750W	2022
	ASM-E3M 200V Economic Type Servo Motor 100W~3kW (F40/F60/F80/F130/F180)	2022
	Third generation of Servo Screwdriver	2022
	10.1" DUP-110DX Servo screwdriver HMI	2022
	High speed odd-shape inserting mounting machine	2022
	Digital Twin Virtual System Development	2022
	VP3000 new generation open-loop variable-torque standard drive	2022
	AFE3000 new generation Active Front End	2022
	BTD-H2 High performance battery-powered motor drive	2022
	7" DOP-107PV TP coating Front sheet HMI	2022
	W3C Control module of W3 for CNC applications	2022
	Motion control with ethernet all in one model EtherCAT motion axis card controller	2022
	AX-8 Tiger Lake EtherCAT motion controller	2022
	Stand-alone AX-2 motion controller	2022
	AX-2P motion controller Integrated display and control	2022
	4-Axis SCARA robot, Reach 600 mm, Max. payload 6kg	2022
	Pulse Heat Reflow Power Supply	2022
	Structured Light 3D Measurement System	2022
	Passive component surfaces inspection machine	2022
	Multi-axis inductor winding machine	2022
	Semiconductor wafer defect inspection machine	2022
	Injection molding machine Solution (EtherCAT Base)	2022
	MX300 Multi-drive compact drive	2022
	C2000-R liquid cooling drive	2022
	HES-H high system pressure Hybrid Energy Saving System	2022
	MPD motor mounted pump drive Frame C (11~22 kW)	2022
	Two-core EtherCAT 16 axes Motion Control Unit	2022
	ASD-B3 Dual Axis Drive	2022
	7" DOP-107SV Economic models	2022
	4.3" DUP-103DX Servo screwdriver HMI	2022
	DOP-307 new generation 7" HMI Economic models	2022
	DOP-310 new generation 10.1" HMI Economic models	2022
	10.1" DOP-110DS Economic Ethernet models	2022
	AX-2M motion controller Integrated Servo Drive and control	2022
	4-Axis SCARA robot, Reach 400 mm, Max. payload 3kg	2022
	4-Axis SCARA robot, Reach 1000/1200 mm, Max. payload 22kg	2022
	6-Axis Vertical articulated robot, Reach 1100/1400mm, Max. payload 12kg	2022
	3D ToF Industrial Smart Camera	2022
	RTM (Rapid Transformable Machine) – SWST Multitasking Screw Fastening Machine	2022
	RTM (Rapid Transformable Machine) – SWST Connector Plug Screw Fastening Machine	2022
	RTM (Rapid Transformable Machine) – SWST Multi Testing Screw Fastening Machine	2022
Compiled PLC Runtime on Drive (Corner)	2022	
Hi-End with two-core Small PLC CPU Unit	2023	

Business Fields	Project	Estimated Production Schedule
Infrastructure	High efficiency 4.35kW charger	2022
	High efficiency 1.8kW charger	2022
	IP65 natural cooling high efficiency 2kW/3kW with controller and parallel function charger	2022
	High efficiency power boost 57V 3KW DC/DC converter	2022
	Extremely high efficiency 1200/1500kVA UPS for large data center application	2022
	High reliability 800/1800A static transfer switch	2022
	Modular UPS for MDC application (42U Frame)	2022
	Extremely high density of Intelligent rack-mounted power distribution unit_ 3PH 48A 54 outlets	2022
	Two-phase immersion precision cooling for extremely high-performance computing	2022
	Wi-Fi7 Access Point	2023
	SD-WAN Gateway	2022
	1G/2.5G Multi-gigabit PoE+/PoE++ Campus LAN Access Switch	2022
	800G data center ultra-high-speed Ethernet switch	2022
	5G O-RAN product	2022
	10G Base-T1 Media Converter	2022
	10G Base-T1 Zonal Switch	2023
	Single phase hybrid energy storage system with V2H function for residential / commercial building	2022
	High Efficiency String inverter	2022
	Split-type 350kW High Power DC Charger	2022
	All-in-one 200kW DC Charger	2022
	Buck-boost 600kW DC to DC converter	2022
	3.x MW PCS for energy storage system	2022
	1.7MW air cooled PCS for energy storage system	2022
	Grid-tied Energy storage System	2022
	Automatic Frequency Control (AFC) energy management system.	2022
	EV Management System Professional version	2022
	DC Electric Vehicle Supply Equipment Automatic Test System	2022
	AC Electric Vehicle Supply Equipment Automatic Test System	2022
	Solid-state transformer-based charging equipment with isolated multi-charging gun	2022
	Calibration-free high-precision new generation blood glucose measurement system	2022
	SARS-CoV-2 molecular detection system	2022
	Adaptive drug delivery nebulize	2022
	High-precision automatic X-ray inspection machine	2022
High resolution veterinary CT	2022	
New generation laser module, high C/P laser projector with optional lenses	2022	
RGB laser Large Venue projector with wide color gamut to meet BT.2020	2022	
Automotive camera lens for Advanced Driver. Assistance Systems	2023	

#### 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 2021 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 (including cyber security risks) 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 and increasingly stringent environmental regulations, Delta still needs to continue investing more in the above-mentioned industries in order to establish long-term technology and market leadership. It is also necessary to accelerate the deployment of emerging technologies such as metaverse, carbon neutrality and related applications. In addition to continuously investing considerable resources to build research and development capacity in 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 and to develop cross-industry cooperation ecology with leading enterprises to expand market tentacles. 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.

COVID-19 has increased demand for work-from-home from employees worldwide. This has led to challenges in information security protection; for example, meeting and daily business communication via online instant messaging software. In order to avoid leakage of confidential data, Delta only enables specified business instant messaging software for internal communication. It also states explicitly in its information security policy that confidential information is prohibited for uploads via instant messenger and intensifies its existing Data Loss Prevention (DLP) mechanism to ensure security of confidential and sensitive information. In addition, hackers increasingly pass themselves off as internal employees via social media scripts to contact suppliers or partners, sending bulk phishing emails containing malware or links, and cause other data or security breaches. As a result, any of the employee's office computers could get infected with ransomware due to negligence or are targeted by hackers through fake emails, which might affect company operations or lead to financial loss. To implement measures against such risks, Delta has intensified its social media script training exercises and email system filtering mechanism. It also plans to conduct a comprehensive review and improvement of its network/system security protection controls to reduce any potential risks.

#### **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 and such effort has been widely recognized. Delta recognized in the top 5% of listed companies for the eighth Corporate Governance Evaluation in Taiwan in 2021 and has been selected as Best Taiwan Global Brand for eleven consecutive years. Delta has also been selected for the DJSI World for eleven consecutive years, which suggest a general appreciation of the methods Delta partakes in corporate image.

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 International Holding Limited B.V., a wholly-owned subsidiary of the Company purchased Infinova (Canada) Ltd., owner of video surveillance leader March Networks®, and its 100% shareholdings subsidiaries from Infinova International Ltd. and the transaction has been completed in the 4th quarter of 2021. March Networks is a Canadian-based company specializing in video surveillance and business intelligence offering cloud-based video surveillance-as-a-service (VSaaS) and video-based business intelligence solutions. The deal is expected to strengthen Delta's presence in the growing video surveillance market and complement its building automation solutions. In order to achieve the expectations and benefit of the merger and acquisition, the resources of business units and regions will be integrated with a view to producing synergies as soon as possible.

**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 equipment 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 2021 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 2021 and as of the date of publication of the annual report.



## 8.6.12. Litigious and non-litigious matters

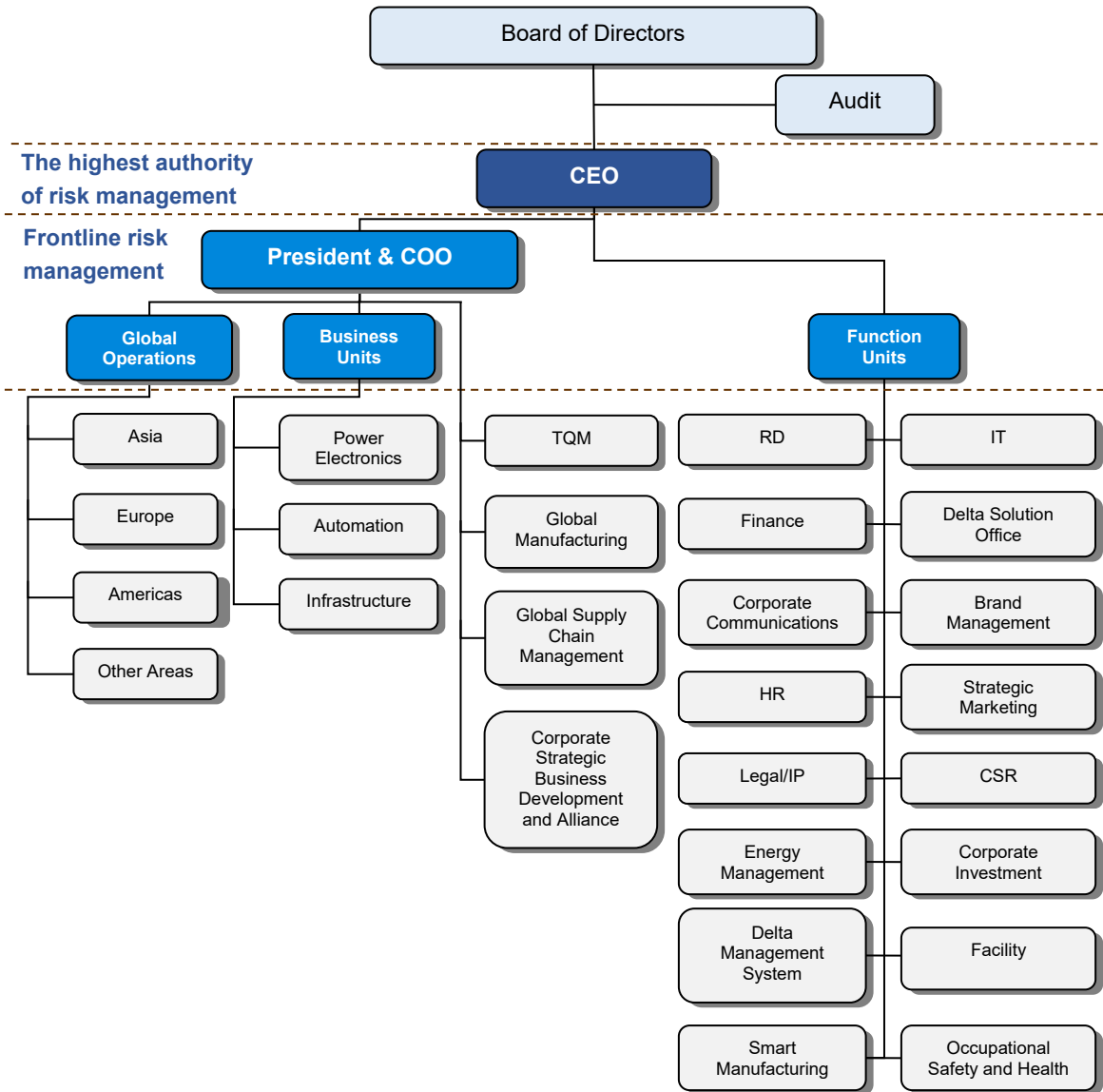
No.	Plaintiff	Defendant	Case Number	Offense Charged	Case Summary
1	Appotronics Corporation Ltd.	Delta Video Display System (Wujiang) Ltd./Delta Electronics (Shanghai) Co., Ltd.	First instance: (2019) Yue 03 Min-Chu No. 662, 2946, etc. Second instance: (2021) Zui-Gao-Fa-Zhi-Min-Zhong No. 1582, 1718, 1548, 1550, etc.	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant to be liable for all damages caused to the defendant. The Company has appointed an attorney for defense.
2	Appotronics Corporation Ltd.	Delta Video Display System (Wujiang) Ltd./Delta Electronics (Shanghai) Co., Ltd.	(2020) Yue 73 Min-Chu No. 1353, 1355, 1356, 1357, 1358, 1359, 1360, 1335, 1336, 1338, 1341, etc.	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant to be liable for all damages caused to the defendant. The Company has appointed an attorney for defense.
3	Appotronics Corporation Ltd.	Delta Video Display System (Wujiang) Ltd.	(2020) Yue 73 Min-Chu No. 1337, 1340, etc.	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant to be liable for all damages caused to the defendant. The Company has appointed an attorney for defense.
4	Appotronics Corporation Ltd.	Delta Electronics (Shanghai) Co., Ltd.	(2020) Yue 73 Min-Chu No. 1339, 1361, etc.	Patent infringement	Plaintiff filed a claim against the defendant for patent infringement and requested the defendant to be liable for all damages caused to the defendant. The Company has appointed an attorney for defense.
5	Delta Electronics, Inc.	Appotronics Corporation Ltd.\Fengmi (Beijing) Technology Co., Ltd.	(2019) Jing 73 Min-Chu No. 1275, 1276, etc.	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 to file a lawsuit.
6	Delta Electronics, Inc.	Appotronics Corporation Ltd.\Shanghai Haichi Digital Technology Co., Ltd.	(2021) Hu 73 Jih-Min-Chu No. 1070, etc.	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 to file a lawsuit.
7	Delta Electronics, Inc.	Appotronics Corporation Ltd.\Chengdu Jinxi Guangxian Information Technology Co., Ltd.	(2021) Chuan 73 Jih-Min-Chu No. 684, 685, 686, etc.	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 to file a lawsuit.
8	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 the legal proceedings are underway.

No.	Plaintiff	Defendant	Case Number	Offense Charged	Case Summary
9	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.
10	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. The plaintiff filed an appeal, which is currently being heard in a second instance.
11	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 subsequently obtained a patent license for the patent in question, so the case was settled on May 12, 2021.
12	Delta Electronics, Inc., etc.	Hackers (to be confirmed)	None temporarily	Crimes against the use of computers	The plaintiff filed a criminal complaint against the defendant for hacking into the server of the plaintiff's company, claiming that the defendant obstructed the use of the computer with the intention of paralyzing the network equipment and data of the plaintiff's company. The dispute occurred on January 25, 2022 and was announced publicly.

**8.6.13. Other important risks, and mitigation measures being or to be taken:**

Delta Risk Management

**A. Organization of Risk Management**



**B. 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:

**a. Strategic**

- Changes in industry
- Changes in technology

- Establishment of business models
  - Responsiveness of organizational structure
- b. 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
- c. Financial
- Interest rate, foreign exchange rate and inflation
  - Taxation
  - Credit
  - Liquidity
  - High-risk and/or highly leveraged financial investments, derivative transactions
- d. 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
- e. Compliance
- Environment regulations (inclusive of carbon pricing, energy tax, renewable energy regulations, and others.)
  - Antitrust, anti-corruption and fraud
  - Personal data protection

C. Implementation of Risk Management:

This year (2021), CEO (the highest authority of risk management) reported the execution result of risk management to the Board of Directors on October 28 including the results of risk assessment for each risk factors, risk control procedures and risk monitoring procedures for the higher risk factors. CEO also reported countermeasures on the substantial risk events that the Group faced this year, such as shortages of materials due to COVID19, floods in Thailand, and energy consumption and intensity dual control in China. In the face of possible risks at all levels, the Company has formulated response control procedures and has continued holding internal meetings and irregular reviews on specific proposals to minimize the possibility and impact of risk events.

► **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 reasonably 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 2021 consolidated financial statement.

# 9. Special Items

## ► 9.1 Affiliates information (2021/12/31)

### 9.1.1 Affiliated Companies of Delta Electronics, Inc.



## 9.1.2 Affiliated Companies

As of the year ended December 31, 2021  
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.	1971/04	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 B.V.	1993/06	Hoofddorp, the Netherlands	TWD	1,872,029	Equity investments
			USD	67,680	
Delta Electronics (Japan), Inc.	1991/11	Tokyo, Japan	TWD	67,396	Sales of power products, display solution products, electronic components, industrial automation products and materials
			JPY	280,000	
Delta Electronics (H.K.) Ltd.	1994/08	Kwun Tong, Hong Kong	TWD	9,042,359	Equity investments, operations management and engineering services
			HKD	2,549,298	
Delta Electronics (Dongguan) Co., Ltd.	1993/10	Dongguan City, Guangdong Province, China	TWD	3,869,911	Manufacturing and sales of transformer and thermal products
			USD	139,910	
Delta Networks (Dongguan) Ltd.	1998/10	Dongguan City, Guangdong Province, China	TWD	1,258,530	Manufacturing and sales of other radio-broadcast receivers and the equipment in relation to broadband access networking system
			USD	45,500	
Addtron Technology (Japan), Inc.	1998/03	Tokyo, Japan	TWD	8,665	Trading of networking system and peripherals
			JPY	36,000	
DEI Logistics (USA) Corp.	2000/01	CA, USA	TWD	27,660	Warehousing and logistics services
			USD	1,000	
Delta Electronics (Jiangsu) Ltd.	1999/12	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	5,167,165	Manufacturing and sales of power supplies and transformers
			USD	186,610	
Delta Networks Holding Limited	2002/11	Cayman Islands	TWD	49,789	Equity investments
			USD	1,800	
Delta Networks, Inc.	2002/11	Cayman Islands	TWD	1,655,293	Equity investments
			USD	59,844	
Delta Electronics (Shanghai) Co., Ltd.	2003/12	Shanghai, China	TWD	3,443,048	Product design, management consulting service and distribution of electronic products
			RMB	793,170	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics (Korea), Inc.	2004/03	Seoul, Korea	TWD	1,177	Sales of power products, display solution products electronic components, industrial automation products and their materials
			KRW	50,000	
Delta Electronics (Netherlands) B.V.	2000/02	Hoofddorp, the Netherlands	TWD	3,909,506	Sales of power products, display solution products, electronic components, industrial automation products and materials
			USD	141,341	
Delta Electronics (Wuhu) Co., Ltd.	2006/12	Wuhu Economic and Technological Development Zone, Anhui Province, China	TWD	3,706,440	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	1,742,580	Manufacturing and sales of transformers
			USD	63,000	
Delta Networks (HK) Limited	2007/10	Kwun Tong, Hong Kong	TWD	968,100	Equity investments
			USD	35,000	
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.	2000/01	Cayman Islands	TWD	905,590	Equity investments
			USD	32,740	
Grandview Holding Ltd.	2006/07	Cayman Islands	TWD	5,733,918	Equity investments
			USD	207,300	
CYNTEC HOLDING (HK) LIMITED	2007/11	Kwun Tong, Hong Kong	TWD	5,595,618	Equity investments
			USD	202,300	
Cyntec International Ltd.	2006/10	Labuan, Malaysia	TWD	138,300	Trading
			USD	5,000	
Cyntec Electronics (Suzhou) Co., Ltd.	2006/09	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	5,587,320	Research, development, manufacturing and processing of new-type electronic components) chip components, sensing elements, hybrid integrated circuits and molding as well as processing of semi-finished alloy steel powder; sales of self-produced products and wholesale, import and export of products similar to the Company's products
			USD	202,000	
Chenzhou Delta Technology Co., Ltd.	2010/04	Suvian District, Chenzhou City, Hunan Province, China	TWD	110,692	Manufacturing and sales of transformers
			RMB	25,500	
DelBio Inc.	2010/05	Taoyuan City, Taiwan	TWD	217,618	Manufacturing, wholesale and retail of medical equipment
Delta Electronics Capital Company	2010/09	Taipei City, Taiwan	TWD	3,500,000	Equity investments
Delta Electronics Int'l (Singapore) Pte. Ltd.	2010/08	Singapore	TWD	924,136	Research, development and sales of electronics products
			SGD	45,234	
Delta Electronics International Mexico S.A. DE C.V.	1997/04	Estado de Mexico, Mexico	TWD	156,031	Sales of power management system of industrial automation product and telecommunications equipment
			MXN	115,730	



Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Allied Material Technology Corp.	2000/05	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	125,300	Manufacturing and sales of transformers
			USD	4,530	
Drake Investment (HK) Limited	2007/10	Kwun Tong, Hong Kong	TWD	1,080,077	Equity investments
			HKD	304,504	
Delta Greentech (China) Co., Ltd.	1992/03	Shanghai, China	TWD	2,465,614	Sales of uninterruptible power systems and others
			RMB	568,000	
Delta Energy Technology (Shanghai) Co., Ltd.	2012/08	Shanghai, China	TWD	43,409	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	
DelBio (Wujiang) Co., Ltd.	2013/01	Wujiang Economic and Technological Development Zone, Jiangsu Province, China	TWD	110,640	Manufacturing, wholesale and retail of medical equipment
			USD	4,000	
Delta Greentech SGP Pte. Ltd.	2007/11	Singapore	TWD	336,774	Equity investments
			USD	12,175	
Delta Electronics Europe Ltd.	1989/09	Glasgow, UK	TWD	18,580	Repair center and providing support services
			GBP	500	
Boom Treasure Limited	2007/12	Kwun Tong, Hong Kong	TWD	0	Equity investments
			USD	0.00013	
Delta Electronics (Pingtan) Co., Ltd.	2014/09	Pingtan, China	TWD	130,226	Wholesale and retail of electronic products and energy-saving equipment
			RMB	30,000	
ELTEK AS	1997/05	Drammen, Norway	TWD	146,635	Research, development and sales of power supplies and others
			NOK	46,766	
ELTEK PAKISTAN (PRIVATE) LIMITED	2001/04	Islamabad, Pakistan	TWD	41,517	Sales of power supplies and others
			PKR	269,000	
Eltek Egypt for Power Supply S.A.E.	2007/01	Cairo, Egypt	TWD	48,750	Sales of power supplies and others
			EGP	27,690	
Eltek SGS Pvt Ltd.	1996/09	Haryana, India	TWD	2,854	Sales of power supplies and others and system installation
			INR	7,720	
Eltek SGS Mechanics Pvt Ltd.	2006/07	New Delhi, India	TWD	118,631	Sales of power supplies and others
			INR	320,918	
ELTEK MEA DMCC	2010/03	Dubai, UAE	TWD	1,502	Sales of power supplies and others
			USD	54	
ELTEK KENYA LIMITED	2012/02	Nairobi, Kenya	TWD	2	Sales of power supplies
			KES	10	
ELTEK WEST AFRICA LIMITED	2012/03	Lagos, Nigeria	TWD	1,004	Sales of power supplies
			NGN	15,000	
Eltek Italia S.r.l.	2008/11	Roma, Italy	TWD	3,594	Sales of power supplies and others
			EUR	115	
ELTEK POWER FRANCE SAS	1966/05	Tarbes, France	TWD	15,913	Sales of power supplies and others
			EUR	509	
Eltek Power (UK) Ltd.	1983/09	Hemel Hempstead, UK	TWD	19,406	Sales of power supplies and others
			GBP	522	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Electronics (Sweden) AB	1998/06	Sollentuna, Sweden	TWD	366	Sales of power supplies and others
			SEK	120	
OOO Eltek	2001/04	St. Petersburg, Russia	TWD	54	Sales of power supplies and others and system installation
			RUB	144	
Eltek Deutschland GmbH	2002/01	Frankfurt am Main, Germany	TWD	62,500	Sales of power supplies and others and system installation
			EUR	2,000	
Eltek Montage GmbH	1995/08	Frankfurt am Main, Germany	TWD	2,406	Installation and maintenance of power supplies
			EUR	77	
Delta Electronics (Australia) Pty Ltd	1996/02	NSW, Australia	TWD	36,000	Sales of power supplies and others and system installation
			AUD	1,800	
ELTEK POWER INCORPORATED	2004/05	Ortigas Pasig City, Philippines	TWD	6,193	Sales of power supplies and others
			PHP	11,400	
ELTEK POWER CO., LTD.	2005/08	Bangkok, Thailand	TWD	3,320	Sales of power supplies and others
			THB	4,000	
ELTEK POWER (CAMBODIA) LTD.	2009/10	Phnom Penh, Cambodia	TWD	138	Sales of power supplies and others
			USD	5	
ELTEK POWER (MALAYSIA) SDN. BHD.	1997/02	Kuala Lumpur, Malaysia	TWD	1,984	Sales of power supplies and others
			MYR	300	
DELTA ELECTRONICS HOLDING (USA) INC.	2007/04	TX, USA	TWD	293	Equity investments
			USD	11	
DELTA ELECTRONICS (USA) INC.	2001/01	TX, USA	TWD	0	Manufacturing and sales of power supplies
			USD	0.00318	
DELTA ELECTRONICS (ARGENTINA) S.R.L.	2010/04	Córdoba, Argentina	TWD	6,657	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	417,593	Manufacturing and sales of power supplies
			BRL	84,984	
DELTA ELECTRONICS (PERU) INC. S.R.L.	2001/06	Lima, Peru	TWD	67,637	Sales of power supplies and others
			PEN	9,781	
DELTA ELECTRONICS (COLOMBIA) S.A.S.	2011/06	Bogotá, Colombia	TWD	5,531	Sales of power supplies and others
			COP	801,614	
Eltekenergy Services, S.A. de C.V.	1997/04	Naucalpan, Mexico	TWD	467	Sales of power supplies and others
			MXN	346	
Eltekenergy International de México, S. de R.L. de C.V.	1997/04	Naucalpan, Mexico	TWD	28,238	Sales of power supplies and others
			MXN	20,945	
DSS-USF LLC	2010/04	CA, USA	TWD	51,586	Rental of solar power systems
			USD	1,865	
Delta Solar Solutions LLC	2010/04	New Castle DE, USA	TWD	62,788	Equity investments
			USD	2,270	
Delta Electronics (Americas) Ltd.	1995/03	CA, USA	TWD	1,072	Sales of electronic components
			USD	39	
Delta America Ltd.	1988/09	Delaware, USA	TWD	566	Equity investments
			USD	20	
Power Forest Technology Corporation	2009/11	Hsinchu County, Taiwan	TWD	154,320	IC design of power management

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Energy Technology Puhuan (Shanghai) Co., Ltd.	2015/12	Shanghai, China	TWD	434	Energy technology, development and consulting of environmental technical skills, and design and sales of energy-saving equipment
			RMB	100	
Delta Controls Inc.	2016/04	British Columbia, Canada	TWD	2,091,911	Provide resolution of building management and control
			CAD	96,938	
Loy Tec electronics GmbH	1999/05	Vienna, Austria	TWD	1,094	Consulting service of building management and control solutions
			EUR	35	
Delta Electronics (Xi'an) Co., Ltd.	2016/10	Xi'an, China	TWD	238,748	Sales of computer, peripherals and software
			RMB	55,000	
Delta Electronics (Beijing) Co., Ltd.	2016/07	Beijing, China	TWD	217,044	Installation of mechanic, electronic, telecommunication and circuit equipment
			RMB	50,000	
Delta Electronics (Switzerland) AG	1992/12	Bern-Bümpliz, Switzerland	TWD	301,350	Equity investments, research, development and sales of electronic products
			CHF	10,000	
Delta Electronics (Czech Republic), spol. s.r.o.	1991/08	Czech Republic	TWD	10,035	Sales of electronic products
			CZK	8,000	
Delta Solutions (Finland) Oy	1991/05	Espoo, Finland	TWD	4,205	Sales of electronic products
			EUR	135	
Delta Electronics (Italy) S.r.l.	1994/11	Roma, Italy	TWD	3,125	Sales of electronic products
			EUR	100	
Delta Electronics Solutions (Spain) SL	2003/07	P.I. de Vallecas, Spain	TWD	6,250	Sales of electronic products
			EUR	200	
Delta Electronics (Poland) Sp. z o.o.	2004/08	Warsaw, Poland	TWD	17,024	Sales of electronic products
			PLN	2,500	
Delta Greentech (Brasil) S.A.	2000/06	State of São Paulo, Brazil	TWD	188,230	Manufacturing and sales of electronic products
			BRL	38,306	
Delta Greentech Electronics Industry LLC	2008/04	Istanbul, Turkey	TWD	53,880	Marketing and sales of electronic products
			TRY	23,517	
DELTA ELECTRONICS BRASIL LTDA.	2017/09	State of São Paulo, Brazil	TWD	427,501	Manufacturing and sales of electronic products
			BRL	87,000	
Vivotek Inc.	2000/02	New Taipei City, Taiwan	TWD	865,679	Manufacturing and sales of video compression software and encoding, network video server, webcam and its related components
Vivotek Holdings, Inc.	2008/01	CA, USA	TWD	29,043	Holding company
			USD	1,050	
Vivotek USA, Inc.	2008/01	CA, USA	TWD	27,660	Sales of webcams and related components
			USD	1,000	
Realwin Investment Inc.	2012/01	New Taipei City, Taiwan	TWD	173,696	A venture capital company
Wellstates Investment, LLC	2012/10	CA, USA	TWD	33,192	Investment and commercial lease of real estate
			USD	1,200	
Vivotek Netherlands B.V.	2012/09	Hoofddorp, the Netherlands	TWD	9,375	Sales service
			EUR	300	
Otus Imaging, Inc.	2014/01	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Aetek Inc.	2015/03	New Taipei City, Taiwan	TWD	60,000	Sales of webcams and related components
Lidlight Inc.	2017/02	New Taipei City, Taiwan	TWD	20,000	Sale of lighting equipment
Vivotek (Japan) Inc.	2018/10	Tokyo, Japan	TWD	15,886	Sales service
			JPY	66,000	
Delta Electronics (Thailand) Public Company Limited	1988/06	Samut Prakarn, Thailand	TWD	1,035,327	Manufacture and exporting power supplies, other electronic parts and components
			THB	1,247,382	
DET International Holding Limited	1997/11	Cayman Islands	TWD	7,312,124	Equity investment
			USD	264,357	
DET Logistics (USA) Corporation	2000/01	CA, USA	TWD	13,830	Providing logistics services in USA
			USD	500	
Delta Energy Systems (Germany) GmbH	1978/07	Soest, Germany	TWD	571,906	Development, marketing and sales of electronic products
			EUR	18,301	
Delta Energy Systems Property (Germany) GmbH	2013/08	Soest, Germany	TWD	781	Property rights business
			EUR	25	
Delta Energy Systems (India) Private Ltd.	1996/11	Haryana, India	TWD	181,309	Marketing and sales of electronic products
			INR	490,476	
Delta Electronics (Slovakia) s.r.o.	2006/07	Dubnica nad Vahom, Slovakia	TWD	1,472,530	Manufacturing and sales of power supplies, power system and OEM power system
			EUR	47,121	
Delta Energy Systems (Romania) S.R.L.	1993/01	Bacharest, Romania	TWD	2,492	Research and development
			RON	395	
Delta Energy Systems (Singapore) PTE. LTD.	2011/02	Singapore	TWD	4,792,471	Equity investments, trading, management and consultancy
			USD	173,264	
Delta Electronics (Holdings) Australia Pty Ltd	1996/02	Notting Hill VIC, Australia	TWD	66,580	Marketing and sales of renewable energy products
			AUD	3,329	
Delta Electronics India Pvt. Ltd.	2008/06	Chennai, India	TWD	3,061,113	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	65,001	Manufacturing of electronics products used in CMP manufacturing process and machinery
			USD	2,350	
Delta Energy Systems (UK) Ltd.	2018/05	East Kilbride, UK	TWD	26,012	Research and development of electronic products
			GBP	700	
Delta Greentech (Netherlands) Cooperatie U.A.	2008/03	Hoofddorp, the Netherlands	TWD	843,662	Equity investments
			EUR	26,997	
Delta Greentech (Netherlands) B.V.	2008/03	Hoofddorp, the Netherlands	TWD	841,787	Equity investments
			EUR	26,937	
Delta Energy Systems LLC	2004/09	Moscow, Russia	TWD	11	Marketing and sales of power systems
			RUB	30	
Eltek s.r.o.	2004/12	Liptovsky Hradok, Slovakia	TWD	103,731	Manufacturing of telecom power system
			EUR	3,319	
Delta Electronics (Automotive) Americas Inc.	2018/02	Michigan, USA	TWD	69,150	Research and development of automotive power and traction inverter
			USD	2,500	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
Delta Green Industrial (Thailand) Co., Ltd.	2010/11	Chachoengsao, Thailand	TWD	170,980	Integration, sales, trading, installation and providing services of uninterruptible power supply, photovoltaic inverter, electric cars charger and data center
			THB	206,000	
Amerlux, LLC	1983/09	NJ, USA	TWD	0	Design and production of dedicated lighting system and facilities
			USD	0	
Amerlux Lighting Asia, LLC	2010/02	NJ, USA	TWD	0	Equity investments
			USD	0	
Amerlux Lighting Hong Kong Limited	2010/03	Central, Hong Kong	TWD	35	Equity investments
			HKD	10	
Guangzhou Amerlux Lighting Co., Ltd.	2010/12	Guangzhou City, China	TWD	13,139	Wholesale of lighting fixture and decorative objects
			USD	475	
Digital Projection International Ltd.	2001/11	Manchester, UK	TWD	1,343	Equity investments
			GBP	36	
Digital Projection Holdings Ltd.	1996/11	Manchester, UK	TWD	15,060	Equity investments
			GBP	405	
Digital Projection Ltd.	1996/12	Manchester, UK	TWD	1,602	Research, development and sales of projector products
			GBP	43	
Digital Projection Inc.	1996/07	GA, USA	TWD	553,200	Sales of projector products
			USD	20,000	
Cyntec Electronics (Wuhu) Co., Ltd.	2020/01	Anhui, China	TWD	1,355,340	Technology services, development, consultation, exchange, transfer and promotion; manufacturing, wholesale and retail of electronic components; manufacturing and sales of molds; manufacturing and sales of forgings and powder metallurgy products and import and export of goods or technique
			USD	49,000	
Trihedral Engineering Limited	2020/05	NS, Canada	TWD	17,680	Graphic control software and related engineering services
			CAD	819	
Trihedral Inc.	2007/06	FL, USA	TWD	553	Graphic control software and related engineering services
			USD	20	
Trihedral UK Limited	1998/07	Aberdeen, UK	TWD	45	Graphic control software and related engineering services
			GBP	1	
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	2020/12	Haryana, India	TWD	410	Manufacturing and sales of electronic products
			INR	1,110	
Delta Electronics (Vietnam) Company Limited	2020/10	Hanoi City, Vietnam	TWD	2,812	Sales of electronic products
			VND	2,323,700	
March Networks Holdings Ltd.	2011/12	Ottawa, Canada	TWD	378,164	Equity investments
			CAD	17,524	
March Networks Corporation	2012/04	Ottawa, Canada	TWD	187,987	Security surveillance software and hardware and related engineering services
			CAD	8,711	
March Networks, Inc.	2006/06	Georgia, USA	TWD	231,238	Security surveillance software and hardware and related engineering services
			USD	8,360	

Company	Date of Incorporation	Location	Paid-in Capital		Major Business Activities
			Currency	Amount	
March Networks de Mexico, S.A. de C.V.	2006/10	CDMX, Mexico	TWD	6,134	Security surveillance software and hardware and related engineering services
			MXN	4,550	
March Networks (Australia) Pty Limited	2007/02	NSW, Australia	TWD	1,640	Security surveillance software and hardware and related engineering services
			AUD	82	
March Networks Limited	2002/08	London, UK	TWD	37,160	Security surveillance software and hardware and related engineering services
			GBP	1,000	
March Networks B.V.	2006/08	Amsterdam, the Netherlands	TWD	62,500	Security surveillance software and hardware and related engineering services
			EUR	2,000	
March Networks (Singapore) Pte. Limited	2014/11	Singapore	TWD	2,043	Security surveillance software and hardware and related engineering services
			SGD	100	
March Networks S.r.l.	2013/07	Milano, Italy	TWD	31,250	Security surveillance software and hardware and related engineering services
			EUR	1,000	
March Networks (France) SAS	2020/02	Paris, France	TWD	3,125	Security surveillance software and hardware and related engineering services
			EUR	100	

### 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., Cyntec 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 (Jiangsu) Ltd.
- (3) Delta Electronics (Wuhu) Co., Ltd.
- (4) Delta Electronics (Chenzhou) Co., Ltd.
- (5) DELTA ELECTRONICS BRASIL LTDA.
- (6) Delta Networks (Dongguan) Ltd.
- (7) Cyntec Electronics (Suzhou) Co., Ltd.

- (8) DELTA ELECTRONICS (USA) INC.
- (9) Eltek Sistemas de Energia Industria e Comercio S.A.
- (10)Delta Greentech (Brasil) S.A.
- (11)Delta Electronics (Slovakia) s.r.o.
- (12)Delta Electronics India Pvt. Ltd.
- (13)DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED
- (14)Eltek s.r.o.
- (15)Cyntec Electronics (Wuhu) Co., Ltd.
- (16)DelBio (Wujiang) Co., Ltd.

9.1.4.2. The above (1) to (16) 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.
- Delta Electronics Europe Ltd.
- Cyntec 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
- Delta Electronics (Vietnam) Company Limited
- DelBio Inc.

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.
- March Networks Holdings Ltd. provides security surveillance software and hardware and related engineering services.

## 9.1.5 Information of Directors, Supervisors, and Presidents of Affiliates

As of the year ended December 31, 2021

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics, Inc.	Chairman	Yancey Hai	984,067	0.04%
	Vice-Chairman	Mark Ko	807,630	0.03%
	Director	Bruce CH Cheng	81,878,039	3.15%
	Director/CEO	Ping Cheng	55,640,093	2.14%
	Director/COO	Simon Chang	903,811	0.03%
	Director	Victor Cheng	50,344,764	1.94%
	Independent Director	Ji-Ren Lee	0	0.00%
	Independent Director	Shyue-Ching Lu	0	0.00%
	Independent Director	Jack J. T. Huang	0	0.00%
	Independent Director	Rose Tsou	0	0.00%
Delta International Holding Limited B.V.	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	Beau Yu	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
Addtron Technology (Japan), Inc.	Representative Director	CH Ko	0	0.00%
	Director	Is Miyazaki	0	0.00%
	Director	Matsuo Fujii	0	0.00%
	Director	Narihiko Yabuki	0	0.00%
	Supervisor	Beau Yu	0	0.00%
DEI Logistics (USA) Corp.	Director/General Manager	ChungHsiu Yao	0	0.00%
	Director	Judy Lee	0	0.00%
	Director	Beau Yu	0	0.00%



Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics (Jiangsu) Ltd.	Chairman	Bruce CH Cheng	NA	NA
	Director	Mark Ko	NA	NA
	Director	Ping Cheng	NA	NA
	Supervisor	Allen Wang	NA	NA
	General Manager	Ronald Chung	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%
	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
Delta Networks (HK) Limited	Director	Victor Cheng	0	0.00%
	Director	George Chao	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Christine Jen	0	0.00%
	Director	Jess Lo	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.)		

Company	Title	Name or Representative	Shareholding	
			Shares	%
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 (HK) LIMITED	Director	Steven Liu	0	0.00%
	Director	Ted Shyy	0	0.00%
Cyntec International Ltd.	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	Gary Chang (Representative of Delta Electronics, Inc.)		
	Supervisor	Rachel Hsieh (Representative of Delta Electronics, Inc.)		
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	Beau Yu (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	Beau Yu	0	0.00%
Delta Electronics International Mexico S.A. DE C.V.	Chairman/Legal Representative	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	Beau Yu	NA	NA
Drake Investment (HK) Limited	Director	Ping Cheng	0	0.00%
	Director	Teresa Chen	0	0.00%
	Director	Jess Lo	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
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	Beau Yu	0	0.00%
	Supervisor	Ruizhong Zou	0	0.00%
	Supervisor	Allen Wang	0	0.00%
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
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%
	Director	Simon Chang	0	0.00%
	Director	Jackie Chang	0	0.00%
	Director	Beau Yu	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	Victor Cheng	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Hilde Steira	0	0.00%
	Director	Geir Waaler	0	0.00%
	Managing Director	Frode Vagen	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	Motaz Al Maani	0	0.00%
	Director	Maggie Hao	0	0.00%
	Director	Miloud Abdelilah	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%

Company	Title	Name or Representative	Shareholding	
			Shares	%
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%
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%
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%
Delta Electronics (Australia) Pty Ltd	Director	James Ng	0	0.00%
	Director	Jackie Chang	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 Sangrungrun	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	Dato' Fcroz Bin A S 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%
Eltekenenergy 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%
Eltekenenergy International de México, 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%
DSS-USF LLC	President	Joe Oberle	0	0.00%
Delta Solar Solutions LLC	President	Joe Oberle	0	0.00%
Delta Electronics (Americas) Ltd.	Director/President	Kelvin Huang	0	0.00%
	Director	James Tang	0	0.00%
	Director	Wilson Huang	0	0.00%
Delta America Ltd.	Director/President	Kelvin Huang	0	0.00%
	Director	Ping Cheng	0	0.00%
	Director	Beau Yu	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.)		
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	Hans-Joerg Schweinzer	0	0.00%
	Managing Director	Bill Lo	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
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	Chairman	Dalip Sharma	0	0.00%
	Director	Victor Cheng	0	0.00%
	Director	Andreas Grewing	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) SL	Chairman	Dalip Sharma	0	0.00%
	Director	Tim Lee	0	0.00%
	Director	Victor Cheng	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%
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/Legal Representative	Alvaro Augusto Simoes de Oliveira	0	0.00%
Vivotek Inc.	Chairman	Bill Lo (Representative of Delta Electronics, Inc.)	47,692,058	55.09%
	Director	Ray Lai (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	1.42%
	Director	Eddy Lan	738,261	0.85%
	Independent Director	Ji-Ren Lee	0	0.00%
	Independent Director	Sin-Hui Yen	0	0.00%
	Independent Director	Chung-Yang Huang	0	0.00%
Vivotek Holding, Inc.	Director	Bill Lo	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
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	100.00%
Wellstates Investment, LLC	General Manager	Bill Lo	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	Otis Tseng	250,000	4.17%
	Supervisor	Arway Hsu	95,000	1.58%
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%
Vivotek (Japan) Inc.	Representative Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
Delta Electronics (Thailand) Public Company Limited	Chairman	James Ng	0	0.00%
	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%
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	Nipaporn Jiarajareevong	0	0.00%
Delta Energy Systems (Germany) GmbH	Managing Director	Andreas Kostrzewa	0	0.00%
	Managing Director	Peter Ide	0	0.00%
	Managing Director	Dalip Sharma	0	0.00%
Delta Energy Systems Property (Germany) GmbH	Managing Director	Andreas Kostrzewa	0	0.00%
	Managing Director	Dalip Sharma	0	0.00%
	Managing Director	Peter Ide	0	0.00%
Delta Energy Systems (India) Private Ltd.	Director	Dick Hsieh	0	0.00%
	Director	Nipaporn Jiarajareevong	0	0.00%
	Director	Om Prakash	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
Delta Electronics (Slovakia) s.r.o.	Managing Director	CL Wu	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%
Delta Electronics (Holdings) 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	Nipaporn Jiarajareevong	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%
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	Director	Ekaterina Shakhvorostova	0	0.00%
Eltek s.r.o.	Managing Director	CL Wu	0	0.00%
Delta Electronics (Automotive) Americas Inc.	Director	James Ng	0	0.00%
	Director/President	Jackie Chang	0	0.00%
	Director	Kelvin Huang	0	0.00%
Delta Green Industrial (Thailand) Co., Ltd.	Director	Jackie Chang	1	0.00%
	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	NA	NA
	Director	Bill Lo	NA	NA
	Director	Calvin Wang	NA	NA
	Supervisor	Allen Wang	NA	NA
	Manager	Frank Louis Weston	NA	NA



Company	Title	Name or Representative	Shareholding	
			Shares	%
Digital Projection International Ltd.	Director	Jeff Fu	0	0.00%
	Director	Kelvin Huang	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
Digital Projection Holdings Ltd.	Director	Jeff Fu	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
Digital Projection Ltd.	Director	Jeff Fu	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Director	Maggie Hao	0	0.00%
Digital Projection Inc.	Director/President	Kelvin Huang	0	0.00%
	Director	Jiashien Chen	0	0.00%
	Director	Eng Taing	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
Trihedral Engineering Limited	Chairman	David Morse	0	0.00%
	Director	Chientan Lien	0	0.00%
	Director	Glenn Wadden	0	0.00%
Trihedral Inc.	Director	Glenn Wadden	0	0.00%
	Director	Barry Baker	0	0.00%
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%
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	Director	Anuson Muttaraid	0	0.00%
	Director	Niranjan Seetharam Nayak	0	0.00%
	Director	Bobby Lai	0	0.00%
Delta Electronics (Vietnam) Company Limited	Director	Jackie Chang	0	0.00%
	Director	Tony Meng	0	0.00%
	Director	Nipaporn Jiarajareevong	0	0.00%
March Networks Holdings Ltd.	Chairman	Jiashien Chen	0	0.00%
	Director	Anita Parker	0	0.00%
	Director	ChungHsiu Yao	0	0.00%
March Networks Corporation	Chairman	Bill Lo	0	0.00%
	Director	Joe Oberle	0	0.00%
	Director/CEO	Peter Strom	0	0.00%
	Director	William Ku	0	0.00%
March Networks, Inc.	Chairman	Bill Lo	0	0.00%
	Director	Chuck Campagna	0	0.00%
	Director/President	Peter Strom	0	0.00%

Company	Title	Name or Representative	Shareholding	
			Shares	%
March Networks de Mexico, S.A. de C.V.	Director	Bill Lo (change of registration in process)	0	0.00%
	Director	Peter Strom	0	0.00%
	Director	Christine Maher	0	0.00%
	Director/Legal Representative	Alberto Sosa (change of registration in process)	0	0.00%
March Networks (Australia) Pty Limited	Chairman	Bill Lo	0	0.00%
	Director	Peter Strom	0	0.00%
	Director	David Robert Leal	0	0.00%
March Networks Limited	Chairman	Bill Lo	0	0.00%
	Director	Peter Strom	0	0.00%
March Networks B.V.	Managing Director	Dalip Sharma	0	0.00%
	Managing Director	Bill Lo	0	0.00%
March Networks (Singapore) Pte. Limited	Director	Bill Lo	0	0.00%
	Director	Peter Strom	0	0.00%
	Director	Cecilia Ku (change of registration in process)	0	0.00%
March Networks S.r.l.	Chairman	Bill Lo	0	0.00%
	Director	Peter Strom	0	0.00%
	Director	Dalip Sharma	0	0.00%
	Managing Director	Giovanni Milani	0	0.00%
March Networks (France) SAS	President	Peter Strom	0	0.00%
	General Manager	Laurie Bochert	0	0.00%

## 9.1.6 Operational Highlights of Affiliates

As of December 31, 2021 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	244,661,657	89,875,135	154,786,522	66,921,116	8,566,141	26,796,302	10.32
Delta Networks Holding Limited and its subsidiaries	49,789	181,306	15,617	165,689	2,644	(4,302)	99,400	(13.55)
Delta Electronics Capital Company	3,500,000	4,107,726	83,163	4,024,563	600,757	540,299	552,543	1.58
Allied Material Technology Corp.	2,114,580	1,560,378	16,086	1,544,292	81,797	(88,143)	(86,307)	(0.41)
DelBio Inc.	217,618	285,141	76,106	209,035	182,351	(9,065)	2,496	0.11
DelBio (Wujiang) Co., Ltd.	110,640	288,676	106,883	181,793	340,202	6,438	6,614	NA (Note2)
Cyntec Co., Ltd. and its subsidiaries	23,412,043	38,117,357	10,600,926	27,516,431	23,523,071	935,199	1,107,200	0.47
Delta Electronics Int'l (Singapore) Pte. Ltd.	924,136	107,158,594	61,701,674	45,456,920	227,178,936	9,931,120	12,171,122	269.07
Loy Tec electronics GmbH	1,094	603,909	135,721	468,188	616,958	136,234	117,496	NA (Note 2)
ELTEK POWER INCORPORATED	6,193	77,967	48,854	29,113	82,041	20,967	16,102	1.41
ELTEK POWER CO., LTD.	3,320	270,789	29,417	241,372	115,095	(4,920)	(7,245)	(181.13)
ELTEK POWER (CAMBODIA) LTD.	138	599	8,946	(8,347)	-	-	-	-
ELTEK POWER (MALAYSIA) SDN. BHD.	1,984	41,748	87,149	(45,401)	81,972	9,745	9,916	33.05
Delta International Holding Limited B.V.	1,872,029	67,766,588	122,153	67,644,435	-	43,343	1,262,627	18.66
DEI Logistics (USA) Corp.	27,660	9,151,196	8,930,286	220,910	22,041,452	12,497	7,328	7.33
Delta Electronics (Japan), Inc.	67,396	3,124,499	2,407,068	717,431	5,626,033	138,326	123,652	22,080.65
Addtron Technology (Japan), Inc.	8,665	35,580	4,982	30,598	12,073	(5,742)	4,050	5,624.32
Delta Electronics (Korea), Inc.	1,177	280,637	121,148	159,489	461,073	21,745	18,094	1,809.44
Vivitek Corporation	NA (Note 3)	NA (Note 3)	NA (Note 3)	NA (Note 3)	4,385	(66)	(8,495)	NA (Note 3)
Delta Electronics Europe Ltd.	18,580	66,286	9,851	56,435	60,853	3,161	2,425	4.85
Delta Controls Inc.	2,091,911	5,036,189	2,492,061	2,544,128	1,746,862	62,583	47,803	0.64
DELTA ELECTRONICS HOLDING (USA) INC.	293	1,982,365	-	1,982,365	-	-	-	-
DELTA ELECTRONICS (USA) INC., etc.	497,885	5,146,731	2,805,321	2,341,410	11,761,344	359,171	430,966	-
ELTEK AS	146,635	4,489,686	1,214,059	3,275,627	5,042,619	494,997	451,079	4.82
ELTEK PAKISTAN (PRIVATE) LIMITED	41,517	34	737	(703)	1,749	(982)	(10,752)	(4.00)
Eltek Egypt for Power Supply S.A.E.	48,750	212,927	40,857	172,070	348,996	22,667	13,563	489.82
Eltek SGS Pvt Ltd.	2,854	159,665	2,215	157,450	60,322	(24,932)	(30,667)	(39.72)
Eltek SGS Mechanics Pvt Ltd.	118,631	19,789	(95)	19,884	-	-	-	-
ELTEK MEA DMCC	1,502	193,195	178,430	14,765	287,587	585	583	2,915.17
ELTEK KENYA LIMITED	2	27	416	(389)	-	70	70	701.92
ELTEK WEST AFRICA LIMITED	1,004	15,072	1,381	13,691	-	(84)	(269)	(0.02)
Eltek Italia S.r.l.	3,594	52,714	41,895	10,819	84,573	2,826	(250)	NA (Note 2)
ELTEK POWER FRANCE SAS	15,913	533,958	304,240	229,718	1,109,146	39,773	27,585	4,955.16
Eltek Power (UK) Ltd.	19,406	472,968	240,455	232,513	885,187	41,465	31,686	60.16
Delta Electronics (Sweden) AB	366	229,850	159,424	70,426	362,666	10,540	23,699	23,699.44
OOO Eltek	54	293,050	49,835	243,215	360,272	41,316	32,681	NA (Note 2)
Eltek Deutschland GmbH, etc.	64,906	651,566	457,807	193,759	1,385,105	50,616	40,108	-
ELTEK LIMITED	NA (Note 3)	NA (Note 3)	NA (Note 3)	NA (Note 3)	-	(138)	(59)	NA (Note 3)

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Delta Electronics (Switzerland) AG	301,350	1,869,210	925,226	943,984	2,788,181	79,346	59,114	5,911.41
Delta Electronics (Czech Republic), spol. s.r.o.	10,035	31,309	4,478	26,831	22,943	1,688	885	NA (Note 2)
Delta Solutions (Finland) Oy	4,205	211,798	114,654	97,144	411,480	11,117	10,513	1,314.13
Delta Electronics (Italy) S.r.l.	3,125	344,698	224,069	120,629	703,779	17,906	14,412	144.12
Delta Electronics Solutions (Spain) SL	6,250	352,319	247,066	105,253	555,930	19,316	6,695	33.47
Delta Electronics (Poland) Sp. z o.o.	17,024	241,133	203,084	38,049	333,893	5,531	(2,158)	(43.15)
Digital Projection International Ltd. and its subsidiaries	1,343	505,762	674,970	(169,208)	973,663	(178,354)	(134,210)	-
March Networks Holdings Ltd. and its subsidiaries	276,600	3,034,794	693,886	2,340,908	222,622	18,057	25,764	-
Delta Electronics (Netherlands) B.V.	3,909,506	42,763,329	17,793,744	24,969,585	5,983,784	169,573	6,167,401	48.00
Delta America Ltd.	566	3,540,850	626,548	2,914,302	-	(78,299)	386,583	18.88
Delta Electronics (Americas) Ltd.	1,072	4,234,005	2,750,038	1,483,967	9,292,749	231,508	226,250	905.00
Delta Solar Solutions LLC, etc.	114,374	31,695	-	31,695	3,152	(377)	(11,657)	-
Delta Greentech (Brasil) S.A.	188,230	170,231	13,092	157,139	58,053	11,583	11,587	2.68
Delta Greentech Electronics Industry LLC	53,880	711,792	709,399	2,393	941,538	159,435	(47,788)	(50.80)
DELTA ELECTRONICS BRASIL LTDA.	427,501	695,481	294,782	400,699	795,501	(2,846)	(9,192)	(0.11)
Delta Greentech SGP Pte Ltd., etc.	1,416,851	6,645,275	1,090,939	5,554,336	14,912	(405)	903,549	-
Delta Greentech (China) Co., Ltd., etc.	2,509,457	13,492,071	6,658,904	6,833,167	22,484,325	1,204,636	1,053,391	-
Delta Electronics (H.K.) Ltd.	9,042,359	37,136,733	12,832,897	24,303,836	31,274	(7,169)	5,062,250	1.99
Delta Networks (Dongguan) Ltd.	1,258,530	3,383,089	1,721,374	1,661,715	6,130,717	163,225	124,028	NA (Note 2)
Delta Electronics (Pingtan) Co., Ltd., etc.	711,318	1,712,555	1,004,911	707,644	3,319,747	48,596	57,319	-
Delta Electronics (Chenzhou) Co., Ltd., etc.	1,853,272	5,262,525	3,436,825	1,825,700	8,085,735	124,064	126,015	-
Delta Electronics International Mexico S.A. DE C.V.	156,031	476,550	313,734	162,816	266,136	23,723	28,824	12.45
Eltekenenergy Internacional de México, S. de R.L. de C.V.	28,238	46,699	19,733	26,966	53,616	(842)	(1,520)	(0.07)
Delta Electronics (Dongguan) Co., Ltd.	3,869,911	18,641,610	12,571,287	6,070,323	35,043,712	900,312	778,553	NA (Note 2)
Delta Electronics (Jiangsu) Ltd.	5,167,165	36,925,457	24,372,547	12,552,910	81,058,452	1,494,791	1,507,501	NA (Note 2)
Delta Electronics (Shanghai) Co., Ltd.	3,443,048	17,369,559	9,602,803	7,766,756	34,733,286	3,337,256	3,119,728	NA (Note 2)
Delta Electronics (Wuhu) Co., Ltd.	3,706,440	5,516,718	1,361,461	4,155,257	7,437,463	71,314	114,183	NA (Note 2)
Cyntec Electronics (Wuhu) Co., Ltd.	1,355,340	4,359,243	3,368,346	990,897	2,473,348	(306,282)	(340,588)	NA (Note 2)
Eltek Energy Technology (Dongguan) Ltd.	NA (Note3)	NA (Note3)	NA (Note 3)	NA (Note 3)	-	9,651	5,503	NA (Note 3)
Amerlux LLC	-	1,827,060	505,010	1,322,050	1,784,334	15,058	(12,378)	NA (Note 2)
Amerlux Lighting Asia, LLC, etc.	13,174	171,567	56,649	114,918	199,222	131,576	86,075	NA (Note 2)
Trihedral Engineering Limited	17,680	167,691	46,934	120,757	251,600	84,399	72,709	1,411.95
Trihedral Inc.	553	36,621	17,119	19,502	139,576	(3,581)	(3,539)	NA (Note 2)
Trihedral UK Limited	45	18,967	3,137	15,830	33,325	4,211	3,941	NA (Note 2)

Company	Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income (after tax)	EPS (NT\$) (after tax)
Vivotek Inc.	865,679	5,105,201	2,200,475	2,904,726	4,845,455	26,053	188,138	2.17
Vatics Inc.	NA (Note 5)	NA (Note 5)	NA (Note 5)	NA (Note 5)	153,638	(33,852)	(30,724)	NA (Note 5)
Vivotek Holdings, Inc.	29,043	321,781	20	321,761	-	(6)	25,624	24,403.85
Vivotek USA, Inc.	27,660	569,141	248,267	320,874	893,785	24,907	25,630	2.56
Otus Imaging, Inc.	60,000	76,360	29,251	47,109	55,184	1,134	1,183	0.20
Realwin Investment Inc.	173,696	143,511	16	143,495	33,333	31,224	31,336	1.80
Aetek Inc.	60,000	163,783	52,031	111,752	171,999	35,488	29,676	4.95
Lidlight Inc.	20,000	11,771	5,703	6,068	20,050	(732)	712	0.36
Wellstates Investment, LLC	33,192	104,456	54,475	49,981	12,807	9,347	3,410	NA (Note 2)
Vivotek Middle East FZCO	NA (Note 3)	NA (Note 3)	NA (Note 3)	NA (Note 3)	-	(222)	10,436	NA (Note 3)
Vivotek Netherlands B.V.	9,375	15,713	3,593	12,120	51,406	3,225	1,938	646.16
Vivotek (Japan) Inc.	15,886	25,485	2,943	22,542	20,946	997	330	49.96
Delta Electronics (Thailand) Public Company Limited	1,035,327	51,350,556	17,895,870	33,454,686	61,816,214	5,170,190	5,836,012	4.72
DET International Holding Limited, etc.	7,312,124	17,208,036	10,863,812	6,344,224	27,446,499	217,306	158,717	-
Delta Energy Systems (Singapore) PTE. LTD., etc.	4,792,471	12,165,523	5,404,624	6,760,899	9,760,177	172,189	112,051	-
Delta Green Industrial (Thailand) Co., Ltd.	170,980	179,991	97,629	82,362	253,605	(8,582)	(3,966)	(0.20)
Delta Electronics (Vietnam) Company Limited	2,812	40,725	29,425	11,300	75,701	8,264	8,363	NA (Note 2)
DELTA ELECTRONICS INDIA MANUFACTURING PRIVATE LIMITED	410	370	393	(23)	-	(435)	(456)	(3.92)
Delta Electronics Power (Dongguan) Co., Ltd.	-	-	-	-	86,578	59,192	44,108	NA (Note 2,6)

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 2021.

Note 4: It is under liquidation.

Note 5: It had been disposed in 2021.

Note 6: Delta Electronics (Dongguan) Co., Ltd. merged with Delta Electronics Power (Dongguan) Co., Ltd. in June 2021. After the merger, Delta Electronics (Dongguan) Co., Ltd. was the surviving company while Delta Electronics Power (Dongguan) Co., Ltd. was the dissolved company.

**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, 2021, 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, 2022

**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: 2 persons
3. Certified Public Accountant- Registered in the People's Republic of China: 2 persons
4. Senior-level P.R.C. Certified Public Accountant: 2 persons
5. Intermediate-level P.R.C. Certified Public Accountant: 68 persons
6. Entry-level P.R.C. Certified Public Accountant: 118 persons
7. Certified Public Accountant- Registered in the Scotland Chartered Certified Accountant Association: 1 person
8. Hong Kong Certified Public Accountant Association- Certified Public Accountant: 1 person
9. AU Certified Public Accountant: 4 persons
10. US Chartered Financial Analyst: 1 person
11. US Certified Management and Public Accountant: 1 person
12. International Internal Auditor: 1 person
13. Senior Securities Specialist: 8 persons
14. Futures Specialist: 1 person
15. Securities Specialist: 3 persons
16. Investment Trust and Consulting Professional: 4 persons
17. Trust Specialist: 10 persons
18. Wealth Management & Planning Specialist: 5 persons
19. With R.O.C. Level B Accounting License: 2 persons
20. With R.O.C. Level C Accounting License: 4 persons
21. Japanese Management Practices Specialist: 1 person
22. England & Wales Chartered Certified Accountant Association - Certified Public Accountant: 2 persons
23. Philippine Institute of Certified Public Accountants- Certified Public Accountant: 1 person
24. Thailand Certified Public Accountant: 1 person
25. U.S. (Missouri) Certified Public Accountant: 1 person
26. Austria Certified Public Accountant: 2 persons
27. Turkey Certified Public Accountant: 1 person
28. Egypt Certified Public Accountant: 1 person
29. Peru Certified Public Accountant: 1 person
30. Malaysia Certified Public Accountant: 1 person
31. Colombia Certified Public Accountant: 2 persons
32. Chartered Professional Accountants of Nova Scotia Canada: 2 persons
33. Chartered Professional Accountants of Ontario Canada: 2 persons
34. Chartered Professional Accountants of British Columbia Canada : 3 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: 3 persons
3. US Certified Management and Public Accountant: 1 person
4. Certified Internal Auditor of ROC: 2 persons
5. Certified Internal Auditor: 4 persons
6. Excellent Auditor (19th and 28th) of the Institute of Internal Auditors: 2 persons
7. 6 Sigma Black Belt Certificate issued by Kind Management Consulting, Co.: 1 person
8. 6 Sigma Green Belt Certificate issued by Kind Management Consulting, Co.: 1 person
9. 5S Management Mechanism Certificate from Kind Management Consulting, Co.: 1 person
10. Internal Quality Audit Certificate from Kind Management Consulting, Co.: 1 person
11. Gauge Instrument Calibration Certificate from Kind Management Consulting, Co.: 1 person
12. ISO auditor: 1 person
13. Certification in Risk Management Assurance: 1 person
14. Quality service certification (Mystery Shopper) Auditor Lead Course: 1 person
15. ACL Jack soft Certified CAATs Practitioner (JCCP)/E-Business Application Professional Certification Service, Ministry of Economic Affairs: 2 persons
16. ICCP International Certified CAATs Practitioner: 1 person
17. Patent agent: 1 person
18. Securities specialist: 1 person
19. Certification in Control Self-Assessment: 2 persons
20. Futures Specialist: 1 person
21. Certificate for the Subject Test-Laws and Regulations on Trust Businesses: 1 person
22. 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:

**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.**

9.5.1 The Company's subsidiary, Delta International Holding B.V. acquired 100% of the shares of March Networks Holdings Ltd and its related subsidiaries on December 1, 2021 for USD 121.5 million. The total amount of this transaction will be adjusted based on the adjustment mechanism written in the agreement.

9.5.2 We believe that the above acquisition will strengthen Delta's surveillance and building automation solutions. 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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