



Delta Electronics, Inc.

**2022 Annual General Shareholders' Meeting
Handbook
(Translation)**

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

Date of the Meeting: June 14, 2022 at 10:00 a.m.

Place of the Meeting: Auditorium, 8F., No.16, Tungyuan Road, Chungli District, Taoyuan City

Type of the Meeting : Physical Shareholders' Meeting

Handbook for the 2022 Annual General Shareholders' Meeting of Delta Electronics, Inc.

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Note: The Company's 2021 Parent Company Only Financial Statements, 2021 Consolidated Financial Statements and 2022 Annual General Shareholders' Meeting Handbook are available on the "Market Observation Post System" website; please visit <https://mops.twse.com.tw> for details.

I. MEETING PROCEDURES

Procedures of Delta Electronics, Inc. 2022 Annual General Shareholders' Meeting

1. Call meeting to order
2. Chairman takes his place
3. All rise
4. Singing of national anthem
5. Three respectful bows to the national flag and portrait of Dr. Sun Yat-Sen
6. Chairman's address
7. Report items
8. Proposal items
9. Discussion items

Voting and resolution for each of proposal and discussion items

10. Election item

Voting for election item

11. Other proposals

Discussion of the release from non-competition restrictions on directors

Voting and resolution for the proposal

12. Extemporaneous motions

13. Meeting adjourn

II. MEETING AGENDA

1. Report Items

(1) 2021 Operation Results

See Appendix 1: Business Report

(2) 2021 Financial Results

a) PricewaterhouseCoopers CPA Audit Report (Parent Company Only Financial Statements)

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b) Parent Company Only Balance Sheet as of December 31, 2021

See Appendix 2: Parent Company Only Balance Sheet

c) Parent Company Only Comprehensive Income Statement (January 1, 2021~December 31, 2021)

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d) Parent Company Only Statement of Changes in Equity (January 1, 2021~December 31, 2021)

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See Appendix 2: Parent Company Only Cash Flow Statement

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See Appendix 3: PricewaterhouseCoopers CPA Audit Report

g) Consolidated Balance Sheet as of December 31, 2021

See Appendix 3: Consolidated Balance Sheet

h) Consolidated Comprehensive Income Statement (January 1, 2021~December 31, 2021)

See Appendix 3: Consolidated Statement of Comprehensive Income

i) Consolidated Statement of Changes in Equity (January 1, 2021~December 31, 2021)

See Appendix 3: Consolidated Statement of Changes in Equity

j) Consolidated Cash Flow Statement (January 1, 2021~December 31, 2021)

See Appendix 3: Consolidated Cash Flow Statement

(3) Audit Committee's Review Opinions on 2021 Annual Final Accounting Books and Statements

See Appendix 4: Audit Committee's Review Opinions on 2021 annual final accounting books and statements

(4) Report on 2021 Employees' and Directors' Compensation

The Company's annual profit in 2021 is NT\$32,709,989,547, of which 7.8% is allocated as the employees' compensation in cash totaling NT\$2,545,648,687 and 0.14% is allocated as the directors' compensation totaling NT\$44,600,000.

(5) Report on Short-form Merger between Delta Electronics, Inc. and Allied Material Technology Corp.

To improve the group's management efficiency and simplify the corporate structure, the Company merged with its 99.97% owned subsidiary Allied Material Technology Corp. The resolution passed by both Boards of Directors held on February 24, 2022. The effective date of the merger is May 1, 2022. Upon the merger, the Company is the surviving company, while Allied Material Technology Corp. is the dissolved company.

(6) Report on Issuance of Unsecured Ordinary Corporate Bond.

- a) In order to replenish working capital, repay debt and/or support capital expenditures related to business expansion and other medium and long-term funding needs, the Board of Directors of the Company approved the issuance of unsecured ordinary corporate bond and/or sustainable bond on February 24, 2022. The aggregate amount does not exceed NT\$50 billion, which may be issued once or in installments within one year from the date of the resolution of the Board of Directors.
- b) The Company issued the 1st issuance of unsecured ordinary corporate bond in 2022 (111-1) with totaling amount NT\$6.6 billion that are comprised of 2 Tranches, Tranche A and Tranche B, according to different issuance period. It has been effective registration on March 29, 2022 upon the letter No. 11100019761 issued by the Taipei Exchange. The amount issued for Tranche A is NT\$5.9 billion and the amount issued for Tranche B is NT\$0.7 billion. The status of issuance of the unsecured ordinary corporate bond is as below:

Status of issuance of corporate bonds:

Unit: NT\$1,000

Type of Corporate Bonds		Domestic Unsecured Bond (111-1)	
		Tranche A	Tranche B
Issue 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	As of April 28, 2022, amount of converted or exchanged common shares, GDRs or other securities	N/A	
	Conversion Right	None	
Dilution Effect and Other Adverse Effects on Existing Shareholders		None	
Custodian		None	

2. Proposal Items

- (1) Adoption of the 2021 Annual Final Accounting Books and Statements
(Proposed by the Board of Directors)

Explanation:

- a) This Company's 2021 Annual Final Accounting Books and Statements, including the Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements (please refer to Appendix 1~3) had been resolved by the Board and Directors and reviewed by the Company's Audit Committee, of which the Parent Company Only Financial Statements and the Consolidated Financial Statements had been audited by CPA, Lin, Yu-Kuan and CPA, Chou, Chien-Hung from PricewaterhouseCoopers, Taiwan. The Company's Audit Committee has found no discrepancies after a thorough review and has made a written review report.
- b) It is proposed by the Board of Directors to submit the 2021 Annual Final Accounting Books and Statements to this Annual General Shareholders' Meeting for adoption.

- (2) Adoption of the 2021 Earnings Distribution
(Proposed by the Board of Directors)

Explanation:

- a) The 2021 Earnings Distribution Table is compiled as follows in accordance with Company Act and the Company's Articles of Incorporation and has been approved by the Audit Committee and the Board of Directors on February 24, 2022.
- b) The Board of Director proposed to set aside NT\$14,286,488,310 for cash dividends. According to the number of shares issued and entitled to distribution totaling 2,597,543,329, the cash dividends of NT\$5.5 per share will be distributed. The Board of Directors authorized the Chairman subject to the approval of Annual General Shareholders' Meeting to set a 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. 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 exercise of employee stock options), it is proposed that the Chairman 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.
- c) It is proposed by the Board of Directors to submit the 2021 Earnings Distribution to this Annual General Shareholders' Meeting for adoption.

Delta Electronics, Inc.
2021 Earnings Distribution Table

Item	Description	Unit: NT\$ Amount
Net profit after tax for the year 2021		26,796,301,966
Subtract: Setting aside 10% legal reserve		2,688,553,299
Setting aside special reserves		3,623,514,359
Earnings available for distribution by the end of 2021		20,484,234,308
Add: Retained earnings in the beginning of 2021		26,737,168,139
Actuarial profit on defined benefit plan in 2021		89,231,022
Earnings available for distribution by the end of the fiscal year (Note 1)		47,310,633,469
Distribution Items:		
Shareholders' dividends - Cash	NT\$5.5 per share	14,286,488,310
Undistributed earnings by the end of 2021		33,024,145,159

(Note 1) The principle of 2021 earnings distribution: earnings available for distribution by the end of the fiscal year shall be distributed first.

(Note 2) Cash dividends distributed are rounded up to NT\$1. The total amount of fractional cash dividends less than NT\$1 shall be reversed to undistributed earnings.

Chairman: Yancey Hai

Manager: Ping Cheng

Chief Accounting Officer: Beau Yu

3. Discussion Items

- (1) Discussion of the Amendments to the Articles of Incorporation
(Proposed by the Board of Directors)

Explanation:

- a) In order to accommodate the Company's business practice, it is proposed to amend certain provisions of the Articles of Incorporation. Please see the comparison table of revised articles of the Articles of Incorporation for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Articles of Incorporation

Article	Article after revision	Article before revision	Explanation
Article 12-1	<u>The shareholders' meeting of the Company may be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	(New)	Addition of the article due to the Company's business needs.
Article 33	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 49 th revision dates have been omitted for simplicity) The fiftieth amendment was made on June 11, 2018; <u>The fifty-first amendment was made on June 14, 2022.</u>	These Articles of Incorporation were enacted on July 28, 1975. (the 1 st through 49 th revision dates have been omitted for simplicity) The fiftieth amendment was made on June 11, 2018.	Addition of the 51 st revision date.

- (2) Discussion of the Amendments to the Shareholders' Meeting Rules and Procedures
(Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Shareholders' Meeting Rules and Procedures in order to comply with the amendments to the "Sample Template for XX Co., Ltd. Rules of Procedure for Shareholders Meetings Regulations Governing Shareholders' Meeting Rules and Procedures" announced by the Taiwan Stock Exchange and take practical operation into consideration. Please see the comparison table of revised articles of the Shareholders' Meeting Rules and Procedures for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Shareholders' Meeting Rules and Procedures

Article	Article after revision	Article before revision	Explanation
Article 3	<p>The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.</p> <p><u>Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.</u></p> <p>(the rest is omitted)</p>	<p>The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.</p> <p>(the rest is omitted)</p>	<ol style="list-style-type: none"> 1. The previous paragraph of the first, and the third to the tenth are not revised. 2. Addition of the second paragraph in order for shareholders to be informed the changes to how the Company convenes its shareholders' meeting.
Article 5	<p>Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.</u></p>	<p>Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.</p>	<p>Addition of the second paragraph in order to stipulate that there is no restriction on the place of the meeting when a company holds a virtual-only shareholders' meeting.</p>
Article 6	<p>The Company shall, in the notification of the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.</p> <p>The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform thirty (30) minutes before the meeting starts. Shareholders completing</u></p>	<p>The Company shall, in the notification of the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.</p> <p>The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place.</p> <p>Attending shareholders or their appointed proxies (hereafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis</p>	<ol style="list-style-type: none"> 1. Revision of the second paragraph in order to specify the time and procedure of registration for shareholders who are intended to attend virtual shareholders' meetings. 2. Addition of the seventh paragraph in

Article	Article after revision	Article before revision	Explanation
	<p><u>registration will be deemed as attend the shareholders' meeting in person.</u></p> <p>Attending shareholders or their appointed proxies (hereafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (including independent directors) is to be held.</p> <p>When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.</p> <p><u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda, annual report and other meeting materials to the virtual meeting platform at least thirty (30) minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.</p> <p>The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in.</p> <p>The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (including independent directors) is to be held.</p> <p>When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.</p>	<p>order to enable shareholders attending a virtual shareholders' meeting to read the meeting agenda, annual report and other meeting materials.</p>
Article 9	Attendance at shareholders' meeting shall be determined based on the	Attendance at shareholders' meeting shall be determined based on the	1. Revision of the first paragraph in

Article	Article after revision	Article before revision	Explanation
	<p>number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders, <u>and the shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting. <u>In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another</p>	<p>number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting. If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.</p> <p>If the attending shareholders have constituted more than one-half of all</p>	<p>order to stipulate that when a company holds a virtual shareholders' meetings, the total number of shares checked in on the virtual meeting platform should be counted in.</p> <p>2. Revision of the second paragraph because of that when a company holds a virtual shareholders' meeting, if the chairman declares the meeting adjourned, the chairman shall also declare the meeting adjourned at the virtual meeting platform to notify the shareholders immediately.</p> <p>3. Revision of the third paragraph because of that when a company convenes a separate shareholders' meeting by provisional resolutions, shareholders</p>

Article	Article after revision	Article before revision	Explanation
	<p>shareholders' meeting to approve the said provisional resolutions within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company.</u></p> <p>If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.</p>	<p>issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.</p>	<p>intending to attend the meeting online shall re-register to the company.</p>
Article 11	<p>(Omitted for the first paragraph to the ninth paragraph)</p> <p><u>Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 7 do not apply.</u></p>	<p>(Omitted for the first paragraph to the ninth paragraph)</p>	<p>Addition of the tenth paragraph in order to specify the way, procedures and restrictions of raising questions for shareholders who attend the virtual meeting online.</p>
Article 19	<p><u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least fifteen (15) minutes after the chair has announced the meeting adjourned.</u></p>	<p>These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.</p>	<ol style="list-style-type: none"> 1. Addition of this article in order to enable shareholders who attend the virtual meeting online immediately acknowledge real-time results of votes and election of each proposal. 2. The previous paragraph of the nineteenth is

Article	Article after revision	Article before revision	Explanation
			adjusted to the twenty first.
Article 20	<p><u>In the event of a virtual shareholders' meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than thirty (30) minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u></p>	(New)	Addition of the article in order to stipulate that where the shareholders' meeting is a virtual shareholders' meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than thirty (30) minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
Article 21	<p><u>These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.</u></p>	(New)	The previous paragraph of the nineteenth is adjusted to the twenty first.

(3) Discussion of the Amendments to the Operation Procedures of Acquisition or Disposal of Assets (Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Operating Procedures of Acquisition or Disposal of Assets in order to comply with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies announced by the Financial Supervisory Commission. Please see the comparison table of revised articles of the Operating Procedures of Acquisition or Disposal of Assets for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Acquisition or Disposal of Assets

Article	Article after revision	Article before revision	Explanation
Article 10	When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.	When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. <u>If the accountant needs to use an expert's report, the accountant shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (the "ARDF").</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.	Revision of the article in accordance with the revised Article 5 of the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies " that has been added to require external experts to issue opinions following the self-discipline of their own trade associations and it has covered the procedures for accountants to issue opinions.
Article 11	The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property, equipment or its right-of-use assets: When acquiring or disposing real	The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property, equipment or its right-of-use assets: When acquiring or disposing real	The reason of revision is the same as the Article 10.

Article	Article after revision	Article before revision	Explanation
	<p>property, equipment or its right-of-use assets, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring equipment for operating use or its right-of-use assets, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers. 3. If the professional appraiser's appraisal results revealed any of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall appoint an accountant to render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price: 	<p>property, equipment or its right-of-use assets, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring equipment for operating use or its right-of-use assets, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers. 3. If the professional appraiser's appraisal results revealed any of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall appoint an accountant to <u>conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and render a</u> 	

Article	Article after revision	Article before revision	Explanation
	<p>(1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(the rest is omitted)</p>	<p>specific opinion regarding the cause of the differences and the reasonableness of the transaction price:</p> <p>(1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>(the rest is omitted)</p>	
Article 12	<p>Procedures governing transactions with a related party are as follows:</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures:</p>	<p>Procedures governing transactions with a related party are as follows:</p> <p>1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.</p> <p>2. Appraisal and operating procedures:</p>	<p>Revision of this article in order to strengthen the management of related party transactions and protect the rights of minority shareholders of public companies to express their opinions on transactions between the Company and related parties pursuant to the addition of paragraph 5 in Article 15 of the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	Article after revision	Article before revision	Explanation
	<p>Where the Company acquires or disposes of real property or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or its right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) to (4) and (6) of subparagraph 3 of this Article 12.</p>	<p>Where the Company acquires or disposes of real property or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:</p> <p>(1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as the transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or its right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) to (4) and (6) of subparagraph 3 of this Article 12.</p>	

Article	Article after revision	Article before revision	Explanation
	<p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p><u>If the Company or a subsidiary of a non-domestic public company has the transaction as set forth in the first paragraph and the transaction amount is more than 10% of the Company's total assets, the Company shall submit the materials listed in the first paragraph to the shareholders' meeting for approval before signing contacts and making payment. However, it does not apply to the transaction between the Company and its subsidiaries or between subsidiaries.</u></p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been</p>	<p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.</p> <p>(6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.</p> <p>(7) Restrictive covenants and other important terms in connection with the transaction.</p> <p>The aforementioned calculation of the transaction amount shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the audit committee and the Board of Directors in accordance with the Operating Procedures need not be counted toward the said transaction amount and shall be subject to mutatis mutandis application of Article 2, paragraphs 2 and 3.</p> <p>(the rest is omitted)</p>	

Article	Article after revision	Article before revision	Explanation
	<p>submitted to and approved by the audit committee and the Board of Directors <u>as well as the shareholders' meeting</u> in accordance with the Operating Procedures need not be counted toward the said transaction amount and shall be subject to mutatis mutandis application of Article 2, paragraphs 2 and 3.</p> <p>(the rest is omitted)</p>		
Article 13	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of intangible assets or its right-of-use assets or membership certificates:</p> <p>When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price.</p>	<p>The Company shall comply with the following guidelines with regard to the acquisition or disposal of intangible assets or its right-of-use assets or membership certificates:</p> <p>When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price.</p> <p><u>The accountant so appointed shall act in accordance with Statement of General Auditing Procedures No. 20 published by the ARDF accordingly.</u></p>	<p>The reason of revision is the same as the Article 10.</p>
Article 17	<p>Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total 	<p>Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:</p> <ol style="list-style-type: none"> Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total 	<p>Revision of this article in order to relax the trading of foreign government bonds whose credit rating is not lower than our country's sovereign rating and also exempt from public announcement and reporting regulations pursuant to the "</p>

Article	Article after revision	Article before revision	Explanation
	<p>assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts under the operating procedures promulgated by the Company.</p> <p>4. Where equipment or its right-of-use assets for operational use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount is NT\$1 billion or more.</p> <p>5. Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the transaction amount to be invested by the Company is NT\$500 million or more.</p> <p>6. Other asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's</p>	<p>assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts under the operating procedures promulgated by the Company.</p> <p>4. Where equipment or its right-of-use assets for operational use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount is NT\$1 billion or more.</p> <p>5. Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the transaction amount to be invested by the Company is NT\$500 million or more.</p> <p>6. Other asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's</p>	<p>Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

Article	Article after revision	Article before revision	Explanation
	<p>paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds whose credit rating is not lower than our country's sovereign rating.</u></p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>(the rest is omitted)</p>	<p>paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.</p> <p>(the rest is omitted)</p>	

(4) Discussion of the Amendments to the Operating Procedures of Fund Lending
(Proposed by the Board of Directors)

Explanation:

- a) It is proposed to amend certain provisions of the Operating Procedures of Fund Lending in order to comply with the amendments to the Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies announced by the Financial Supervisory Commission. Please see the comparison table of revised articles of the Operating Procedures of Fund Lending for the detailed revisions.
- b) The proposed amendments are submitted for discussion.

Comparison Table of Revised Articles of the Operating Procedures of Fund Lending

Article	Article after revision	Article before revision	Explanation
Article 6	<p><u>1.</u> After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower</p>	<p>After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on</p>	<p>Revision of relevant provisions on application for extension of fund lending according to the revised "Q&A Collection of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public</p>

Article	Article after revision	Article before revision	Explanation
	<p>repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued.</p> <p><u>2. Due to the short-term financing of the Company and others until the term expires, the borrower shall repay it with actual cash flow or not allow to extend the repayment term upon an approval of the board of directors. However, if the loan between the Company and the foreign company that is directly and indirectly 100% of the voting rights held by the Company, or between the foreign subsidiaries that both are directly and indirectly 100% of the voting rights held by the Company and the repayment cannot be made on the due date and need to be postponed, the short-term financing may be extended subject to the approval of the Board of directors and the borrower may not repay it with actual cash flow; afterwards, when the extension period expires, it shall be repaid with actual cash flow.</u> Otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.</p>	<p>or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued. <u>If repayment cannot be made on the due date, the borrower shall apply for a deferred repayment in advance and such defer request shall be submitted to the Board of Directors for approval;</u> otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.</p>	<p>Companies” in December 2021.</p>

Voting and resolution for each of proposal and discussion items

4. Election Item

- (1) Election of a Director and an Independent Director of the Company
(Proposed by the Board of Directors)

Explanation:

- a) The 19th term of the Board of Directors of the Company proposed to elect a Director and an Independent Director. The new Director and Independent Director will assume office after being elected in this Annual General Shareholders' Meeting with the term from June 14, 2022 to July 18, 2024.
- b) The Company adopted the candidates nomination system for electing the Directors (including an Independent Director). There are two candidates (including an Independent Director) approved by the Board of Directors. The relevant information is as follows :

List of Candidates for Directors

Name	Educational Background and Experience	Number of Shares Held
SS Guo	<p>Educational Background:</p> <ul style="list-style-type: none"> - Master in Department of Communications of University of Michigan, Ann Arbor - Bachelor in Department of Foreign Language and Literature of National Taiwan University <p>Experience:</p> <ul style="list-style-type: none"> - CEO of TSMC Education and Culture Foundation 	20,360

List of Candidates for Independent Directors

Name	Educational Background and Experience	Number of Shares Held
Audrey Tseng	<p>Educational Background:</p> <ul style="list-style-type: none"> - Master of Business Management of National Taiwan University and Fudan University - Master of Commerce in Department of Accounting of National Chengchi University <p>Experience:</p> <ul style="list-style-type: none"> - Deputy Chairman, Assurance Leader and Markets Leader of PricewaterhouseCoopers Taiwan - Synergies Leader of PricewaterhouseCoopers Greater China (CaTSH) - Chairman of Alumni Association for Accounting Department of National Chengchi University 	0

- c) Please Vote

Voting for election item

Election Result:

5. Other Proposals

- (1) Discussion of the Release from Non-competition Restrictions on Directors
(Proposed by the Board of Directors)

Explanation:

- a) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at this Annual General Shareholders' Meeting the essential contents of such conduct and obtain the shareholders' approval.
- b) As the new Independent Director elected at this Annual General Shareholders' Meeting concurrently work for other companies, which may constitute the act restricted under Article 209 of the Company Act, it is proposed to release the non-competition restrictions on the Independent Director, without prejudice to the interests of the Company.
- c) Please refer to Appendix 9 for the concurrent positions of the Independent Director elected by this Annual General Shareholders' Meeting. If there is any change in her concurrent positions after the nomination, please refer to the detailed list disclosed on the spot during this Annual General Shareholders' Meeting.
- d) The proposal is submitted for discussion.

Voting and resolution for the proposal

6. Extemporary Motions

Meeting Adjourn.

Appendix 1

Business Report

Business Overview

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 (AR), 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.

Chairman	Yancey Hai
Manager	Ping Cheng
Chief Account Officer	Beau Yu

Appendix 2

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

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

Impairment assessment of investments accounted for under equity method

Description

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

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

How our audit addressed the matter

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

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

of return of similar assets.

Other matter – Reference to the audits of other auditors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lin, Yu-Kuan Chou, Chien-Hung

for and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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

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

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

(Continued)

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

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

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

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

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

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

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

	Notes	Retained earnings				Other equity interest				Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
<u>2020 New Taiwan Dollars</u>										
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)
Total comprehensive income (loss) for the year		-	-	-	-	25,365,317	(6,984,988)	326,268	(16,640)	18,689,957
Distribution of 2019 earnings	6(17)									
Legal reserve		-	-	2,311,780	-	(2,311,780)	-	-	-	-
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	(96,705)	-	-	(58,953)	-	-	-	(155,658)
Disposal of equity investment at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-
Balance at December 31, 2020		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 353,844)	\$ 130,616	\$ 145,899,338
<u>2021 New Taiwan Dollars</u>										
Balance at January 1, 2021		\$ 25,975,433	\$ 49,202,505	\$ 27,342,534	\$ 7,622,034	\$ 48,300,040	(\$ 12,319,980)	(\$ 353,844)	\$ 130,616	\$ 145,899,338
Profit for the year		-	-	-	-	26,796,302	-	-	-	26,796,302
Other comprehensive income (loss) for the year		-	-	-	-	89,231	(3,200,307)	(422,509)	(699)	(3,534,284)
Total comprehensive income (loss) for the year		-	-	-	-	26,885,533	(3,200,307)	(422,509)	(699)	23,262,018
Distribution of 2020 earnings	6(17)									
Legal reserve		-	-	2,355,218	-	(2,355,218)	-	-	-	-
Special reserve		-	-	-	4,921,174	(4,921,174)	-	-	-	-
Cash dividends		-	-	-	-	(14,286,480)	-	-	-	(14,286,480)
Changes in ownership interests in subsidiaries		-	(110,388)	-	-	-	-	-	-	(110,388)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	22,034	-	-	-	-	-	-	22,034
Balance at December 31, 2021		\$ 25,975,433	\$ 49,114,151	\$ 29,697,752	\$ 12,543,208	\$ 53,622,701	(\$ 15,520,287)	(\$ 776,353)	\$ 129,917	\$ 154,786,522

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

The notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

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

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

(Continued)

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

	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 notes in the parent company only financial statements and report of independent accountants are an integral part of these parent company only financial statements, please refer to the accompanying notes in the parent company only financial statements and report of independent accountants.

Appendix 3

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

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, 2020
Current assets				
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
Total current assets		<u>7,117,794</u>	<u>196,878,194</u>	<u>174,886,855</u>
Non-current assets				
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
Total non-current assets		<u>6,082,217</u>	<u>168,234,116</u>	<u>161,529,360</u>
Total assets		<u>\$ 13,200,011</u>	<u>\$ 365,112,310</u>	<u>\$ 336,416,215</u>

(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
Current liabilities					
Short-term borrowings	6(13)	\$ 158,979	\$ 4,397,362	\$ 2,001,532	
Financial liabilities at fair value through profit or loss - current	6(2)	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	
Total current liabilities		<u>3,910,682</u>	<u>108,169,477</u>	<u>94,023,501</u>	
Non-current liabilities					
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	
Total non-current liabilities		<u>2,560,310</u>	<u>70,818,175</u>	<u>63,803,073</u>	
Total liabilities		<u>6,470,992</u>	<u>178,987,652</u>	<u>157,826,574</u>	
Equity					
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)	
Equity attributable to owners of the parent		<u>5,596,042</u>	<u>154,786,522</u>	<u>145,899,338</u>	
Non-controlling interest	4(3) and 6(20)	<u>1,132,977</u>	<u>31,338,136</u>	<u>32,690,303</u>	
Total equity		<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				
Total liabilities and equity		<u>\$ 13,200,011</u>	<u>\$ 365,112,310</u>	<u>\$ 336,416,215</u>	

The notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

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	2021	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>	
Profit before income tax		<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)	
Profit for the year		<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
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		\$ 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
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
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)
Other comprehensive loss for the year		(\$ 179,266)	(\$	4,958,506)	(\$ 8,950,039)
Total comprehensive income for the year		\$ 851,075	\$	23,540,727	\$ 18,434,300
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 notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

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

Equity attributable to owners of the parent												
	Notes	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	Total equity
2020 New Taiwan Dollars												
Balance at January 1, 2020		\$ 25,975,433	\$ 49,103,331	\$ 25,030,754	\$ 7,561,032	\$ 40,108,361	(\$ 5,334,992)	(\$ 2,434,298)	\$ 147,256	\$ 140,156,877	\$ 34,197,565	\$ 174,354,442
Profit for the year		-	-	-	-	25,485,231	-	-	-	25,485,231	1,899,108	27,384,339
Other comprehensive income (loss) for the year		-	-	-	-	(119,914)	(6,984,988)	326,268	(16,640)	(6,795,274)	(2,154,765)	(8,950,039)
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)	-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-
Legal reserve		-	-	2,311,780	-	(2,311,780)	-	-	-	-	-	-
Special reserve		-	-	-	61,002	(61,002)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(12,987,717)	-	-	-	(12,987,717)	-	(12,987,717)
Changes in ownership interests in subsidiaries		-	195,879	-	-	-	-	-	-	195,879	-	195,879
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	(96,705)	-	-	(58,953)	-	-	-	(155,658)	(243,181)	(398,839)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,008,424)	(1,008,424)
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	(1,754,186)	-	1,754,186	-	-	-	-
Balance at December 31, 2020		<u>\$ 25,975,433</u>	<u>\$ 49,202,505</u>	<u>\$ 27,342,534</u>	<u>\$ 7,622,034</u>	<u>\$ 48,300,040</u>	<u>(\$ 12,319,980)</u>	<u>(\$ 353,844)</u>	<u>\$ 130,616</u>	<u>\$ 145,899,338</u>	<u>\$ 32,690,303</u>	<u>\$ 178,589,641</u>
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	-	-	-	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)	(4,958,506)
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)	-	-	2,355,218	-	(2,355,218)	-	-	-	-	-	-
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)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	22,034	-	-	-	-	-	-	22,034	(166,370)	(144,336)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(1,464,506)	(1,464,506)
Balance at December 31, 2021		<u>\$ 25,975,433</u>	<u>\$ 49,114,151</u>	<u>\$ 29,697,752</u>	<u>\$ 12,543,208</u>	<u>\$ 53,622,701</u>	<u>(\$ 15,520,287)</u>	<u>(\$ 776,353)</u>	<u>\$ 129,917</u>	<u>\$ 154,786,522</u>	<u>\$ 31,338,136</u>	<u>\$ 186,124,658</u>

(Continued)

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

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			
Notes											
<u>2021 US Dollars</u>											
	\$ 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
	-	-	-	-	968,774	-	-	-	968,774	61,567	1,030,341
	-	-	-	-	3,226	(115,702)	(15,275)	(25)	(127,776)	(51,490)	(179,266)
	-	-	-	-	972,000	(115,702)	(15,275)	(25)	840,998	10,077	851,075
6(19)											
	-	-	85,149	-	(85,149)	-	-	-	-	-	-
	-	-	-	177,917	(177,917)	-	-	-	-	-	-
	-	-	-	-	(516,503)	-	-	-	(516,503)	-	(516,503)
	-	(3,991)	-	-	-	-	-	-	(3,991)	-	(3,991)
6(33)											
	-	797	-	-	-	-	-	-	797	(6,015)	(5,218)
	-	-	-	-	-	-	-	-	-	(52,947)	(52,947)
	\$ 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 notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

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	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
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 2021	New Taiwan Dollars 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 notes in the consolidated financial statements and report of independent accountants are an integral part of these consolidated financial statements, please refer to the accompanying notes in the consolidated financial statements and report of independent accountants.

Appendix 4

Audit Committee's Review Report

To : The 2022 Annual General Shareholders' Meeting of Delta Electronics, Inc.

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

Date: February 24, 2022

Appendix 5

ARTICLES OF INCORPORATION OF DELTA ELECTRONICS, INC. (Translation)

Section I - General Provisions

Article 1

The Company is incorporated as a company limited by shares under the Company Law of the Republic of China, and its name is "Delta Electronics, Inc."

Article 2

The Company is engaged in the following businesses:

1. C801010 Basic chemical industry business;
2. C801990 Other chemical material manufacturing business;
3. C802120 Industrial Catalyst Manufacturing;
4. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified;
5. CA04010 Metal Surface Treating;
6. CB01010 Machinery equipment manufacturing business;
7. CB01071 Frozen and Air-conditioning manufacturing business;
8. CB01990 Other machinery manufacturing business;
9. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;
10. CC01030 Electric appliance and audiovisual electric products manufacturing business;
11. CC01040 Lighting equipment manufacturing business;
12. CC01060 Wire communication equipment and apparatus manufacturing business;
13. CC01070 Wireless communication devices and equipment manufacturing business;
14. CC01080 Electronic parts and components manufacturing business;
15. CC01090 Batteries manufacturing business;
16. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
17. CC01110 Computers and its peripheral equipment manufacturing business;
18. CC01120 Data Storage Media Manufacturing and Duplicating;
19. CC01990 Other electrical and electronic machinery and materials manufacturing business;
20. CD01010 Ship and parts manufacturing business;
21. CD01020 Tramway Cars manufacturing business;
22. CD01030 Automobiles and auto-parts manufacturing business;
23. CD01040 Motorcycles and motorcycle parts manufacturing business;
24. CD01050 Bicycles and bicycle parts manufacturing business;

25. CD01060 Aircraft and parts manufacturing business;
26. CD01990 Other transportation equipment and parts manufacturing business;
27. CE01010 General equipment and instruments manufacturing business;
28. CE01021 measuring instruments manufacturing business;
29. CE01030 Photographic and Optical Equipment Manufacturing business;
30. CE01040 Clocks and Watches manufacturing business;
31. CE01990 Other photographic and optical equipment manufacturing business;
32. CF01011 Medical appliances and equipment business;
33. CQ01010 Die Manufacturing;
34. E599010 Pipe lines construction business;
35. E601010 Electric appliance installation business;
36. E601020 Electric appliance construction business;
37. E602011 Frozen and Air-conditioning Engineering;
38. E603010 Cables construction;
39. E603040 Fire fighting equipments installation business;
40. E603050 Automation control equipment manufacturing business;
41. E603090 Illumination equipments installation business;
42. E604010 Machinery installation business;
43. E605010 Computer equipment installation business;
44. E701010 Telecommunications Construction;
45. E701030 Restricted telecommunication radio frequency equipment and materials installation business;
46. EZ05010 Apparatus installation and construction business;
47. EZ14010 Sports Ground Equipments Construction;
48. F101130 Wholesale of vegetable and fruits;
49. F106030 Wholesale of Die;
50. F106040 Water containers wholesale business;
51. F108031 Drugs and medical goods wholesale business;
52. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles;
53. F113010 Machinery wholesale business;
54. F113020 Electrical appliances wholesale business;
55. F113030 Wholesale of Precision Instruments;
56. F113050 Computer and office appliances and equipment wholesale business;
57. F113060 Wholesale of Metrological Instruments;
58. F113070 Telecommunication equipment wholesale business;
59. F113110 Wholesale of Batteries;
60. F118010 Computer software wholesale business;
61. F119010 Electronic components and materials wholesale business;
62. F199990 Other wholesale business;
63. F201010 Retail Sale of Agricultural Products;
64. F206030 Retail Sale of Die;
65. F208031 Medical equipment retail business;

66. F209060 Education, musical instruments and entertainment articles retail business;
67. F213010 Electrical appliances retail business;
68. F213030 Computer and office appliances and equipment retail business;
69. F213050 Retail Sale of Metrological Instruments;
70. F213060 Telecommunication equipment retail business;
71. F213110 Retail sale of batteries;
72. F217010 Retail sale of fire fighting equipments;
73. F218010 Computer software retail business;
74. F219010 Electronic components and materials retail business;
75. F399040 Non-store retail business;
76. F401010 International trade business;
77. F401021 Restricted telecommunication radio frequency equipment and materials import business;
78. F401181 Measuring instrument importing business;
79. F601010 Intellectual property business;
80. G801010 Warehousing and storage business;
81. I103060 Management consulting services business;
82. I199990 Other Consultancy
83. I301010 Software design and service business;
84. I301020 Data processing services business;
85. I301030 Digital information supply services business;
86. I401010 General advertising service business;
87. I501010 Product external appearance designing business;
88. I599990 Other design business;
89. IG02010 Research development service business;
90. IG03010 Energy technical services business;
91. IZ03010 Newspaper clipping business;
92. IZ04010 Translation business;
93. IZ10010 Typesetting business;
94. IZ13010 Network authentication service business;
95. IZ99990 Other industry and commerce services not elsewhere classified;
96. J303010 Magazines (journals) publishing business;
97. J304010 Books publishing business;
98. J305010 Audio publishing business;
99. J399010 Software publishing business;
100. J399990 Other publishing business;
101. J701070 Computer Recreational Activities;
102. JE01010 Rental and leasing business;
103. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.

Article 3

The Company shall have its head office in Taoyuan City, and may set up branch offices at various locations that the Board of Directors may deem necessary by resolution.

Article 4

The method to make public announcements of the Company shall be subject to Article 28 of the Company Law and regulations stipulated by the competent securities administration authority.

Article 4-1

When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the "Operational Procedures for Providing Endorsement and Guarantee" of the Company.

Section II - Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of NT\$40,000,000,000, divided into 4,000,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants.

In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 5-1

The aggregate amount of the Company's investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.

Article 5-2

Deleted

Article 6

The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with the securities centralized depository institution.

Article 6-1

Deleted

Article 7

Unless otherwise provided for in applicable laws, regulations and rulings stipulated by the competent securities authority, the Company shall handle its stock affairs for shareholders in accordance with the Company Law and the Regulations Governing Handling of Stock Affairs by Public Companies.

Article 8

Deleted

Article 9

Deleted

Article 10

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Article 11

Registration for stock transfer shall be suspended for sixty days before any general shareholders' meeting, thirty days before any special shareholders' meeting, and five days before a record date on which dividends, bonuses or any other interests are scheduled for distribution by the Company.

Section III - Stockholders' Meeting

Article 12

Shareholders' meetings shall be of two types: general meetings and special meetings. General shareholders' meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened according to laws when necessary.

Article 13

In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

Article 13-1

Where the Company convenes the shareholders' meeting, the shareholders could exercise their voting right in writing or by way of electronic transmission. A shareholder who exercises his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by a shareholder shall be handled according to Article 177-2 of the Company Law.

Article 14

A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case of his absence, the Chairman of the Board of Directors shall designate one director to act on his/her behalf. In the absence of such designation, the directors shall elect one from among themselves as the chairman of the meeting.

Article 15

A shareholder shall be entitled to one vote for each share held by him/her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.

Article 16

Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

Article 17

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in book of attending shareholders and proxy forms shall be kept in the Company. The distribution of meeting minutes may be effected by means of a public announcement.

The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.

Section IV - Directors

Article 18

The Company shall have at least five but no more than thirteen directors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors shall be three years. All of the directors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent directors) shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall

be subject to the regulations prescribed by the Company Law and the securities authority.

The aggregate number of the registered shares held by all directors shall be subject to the regulations, if any stipulated by the competent securities authority.

Remuneration for directors of the Company shall be evaluated by the compensation committee according to their respective participation in operation and value of contribution, and the board of directors is authorized to determine their remuneration according to the evaluation made by the compensation committee and general standard in the same industries. Remuneration for independent directors may be different from non-independent directors.

The Company may purchase liability insurance for its directors.

Article 18-1

The Company shall establish an Audit Committee according to Article 14-4 of the Securities and Exchange Act and the Audit Committee shall have such powers and duties of supervisors as provided in the Company Law, the Securities and Exchange Act, and other laws and regulations.

Article 19

When one-third of the directors have vacated their offices, a shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor.

Article 20

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Article 21

The Board of Directors shall be formed by directors. The directors shall elect from among themselves the Chairman of the Board of Directors by a majority of votes cast by the directors present at the meeting attended by at least two-thirds of the directors, and such method may apply to the election of Vice Chairman. The Chairman and Vice Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and the resolutions adopted by the Board of Directors.

Article 21-1

The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the Board of Directors.

Article 22

Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Law. In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

Article 22-1

The notice of meeting of Board of Directors shall be made in accordance with Article 204 of the Company Act, and may be made in writing, or by email, facsimile, etc.

Article 23

Unless otherwise provided in the Company Law, a meeting of the Board of Directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend a meeting of Board of Directors, he shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. The power of attorney shall specify the scope and limitation of authority or powers in respect to the business to be transacted at the meeting. The proxy may accept the appointment of one director only. If a meeting of the Board of Directors is held by way of a videoconference, the director who attends the meeting in such manner shall be deemed as present in person.

Article 24

Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The production and distribution of the meeting minutes may be made in the electronic form.

Article 25

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Section V - Officers and Staffers

Article 26

The Company may appoint officers. The appointment and discharge of the officers shall be approved by a majority in a meeting of the Board of Directors attended by a majority of the directors.

Article 27

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Article 28

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Section VI - Finalization of Accounts

Article 29

The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the Audit Committee for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. Proposal concerning allocation of earnings or making up losses.

Article 30

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.

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.

Section VII - Supplementary Provisions

Article 31

The internal organizational rules and regulations of the Company shall be separately stipulated by the Board of Directors.

Article 32

In regards to all matters not provided for in these Articles of Incorporation, the Company Law and other laws and regulations shall govern.

Article 33

These Articles of Incorporation were enacted on July 28, 1975.
The first amendment was made on September 25, 1976;
The second amendment was made on January 10, 1977;
The third amendment was made on May 31, 1977;
The fourth amendment was made on May 29, 1978;
The fifth amendment was made on March 31, 1979;
The sixth amendment was made on May 28, 1979;
The seventh amendment was made on September 20, 1980;
The eighth amendment was made on September 9, 1982;
The ninth amendment was made on April 20, 1983;
The tenth amendment was made on June 25, 1984;
The eleventh amendment was made on June 10, 1985;
The twelfth amendment was made on June 20, 1985;
The thirteenth amendment was made on July 12, 1985;
The fourteenth amendment was made on April 18, 1987;
The fifteenth amendment was made on May 12, 1987;
The sixteenth amendment was made on November 17, 1987;
The seventeenth amendment was made on December 11, 1987;
The eighteenth amendment was made on March 19, 1988;
The nineteenth amendment was made on May 12, 1988;
The twentieth amendment was made on July 24, 1988;
The twenty-first amendment was made on November 25, 1988;
The twenty-second amendment was made on May 22, 1989;
The twenty-third amendment was made on May 9, 1990;
The twenty-fourth amendment was made on May 8, 1991;
The twenty-fifth amendment was made on May 8, 1992;
The twenty-sixth amendment was made on May 8, 1993;
The twenty-seventh amendment was made on May 9, 1994;
The twenty-eighth amendment was made on May 10, 1995;
The twenty-ninth amendment was made on June 6, 1996;
The thirtieth amendment was made on June 3, 1997;
The thirty-first amendment was made on May 15, 1998;
The thirty-second amendment was made on May 12, 1999;
The thirty-third amendment was made on May 18, 2000;
The thirty-fourth amendment was made on May 16, 2001;
The thirty-fifth amendment was made on May 16 2002;
The thirty-sixth amendment was made on May 6, 2003;
The thirty-seventh amendment was made on May 18, 2004;
The thirty-eighth amendment was made on May 19, 2005;
The thirty-ninth amendment was made on May 18, 2006;
The fortieth amendment was made on June 8, 2007;
The forty-first amendment was made on June 13, 2008;
The forty-second amendment was made on June 10, 2009;

The forty-third amendment was made on June 15, 2010;
The forty-fourth amendment was made on June 24, 2011;
The forty-five amendment was made on June 19, 2012;
The forty-Six amendment was made on June 7, 2013;
The forty-seventh amendment was made on June 10, 2014;
The forty-eighth amendment was made on June 10, 2015;
The forty-night amendment was made on June 8, 2016.
The fifty amendment was made on June 11, 2018.

Appendix 6

Delta Electronics, Inc. (the "Company") Shareholders' Meeting Rules and Procedures (Translation)

Passed by general shareholders' meeting on March 19, 1988

Amendment passed by general shareholders' meeting on May 15, 1998

Amendment passed by general shareholders' meeting on May 16, 2002

Amendment passed by general shareholders' meeting on May 19, 2005

Amendment passed by general shareholders' meeting on May 18, 2006

Amendment passed by general shareholders' meeting on June 19, 2012

Amendment passed by general shareholders' meeting on June 7, 2013

Amendment passed by general shareholders' meeting on June 10, 2020

Article 1

These Rules and Procedures have been stipulated in accordance with the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in order to establish effective governance of the shareholders' meeting, implement sound supervisory functions, and strengthen managerial functions.

Article 2

Unless otherwise provided for in applicable laws and regulation or this Company's Articles of Incorporation, the Company's Shareholders' Meeting Rules and Procedures shall comply with the following articles.

Article 3

The Company's shareholders' meeting shall be convened by the Board of Directors unless applicable laws and regulations provide otherwise.

The Company shall prepare the electronic files of the notification of the shareholders' meeting, the proxy instrument, agenda and materials relating to proposals for acknowledgment and discussion and election or discharge of directors (including independent directors), and upload the same to the Market Observation Post System Website 30 days in advance of an annual general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall also prepare the electronic files of the shareholders' meeting agenda and supplemental materials and upload the same to the Market Observation Post System Website 21 days in advance of an annual general shareholders' meeting or 15 days in advance of an extraordinary shareholders' meeting. The Company shall make the shareholders' meeting agenda and supplemental materials available

for shareholders to review at any time 15 days in advance of the shareholders' meeting and these documents shall be displayed at the Company and professional stock affairs agency appointed by the Company and shall be distributed at the shareholders' meeting.

Notification and announcements shall state the reasons for the meeting. The notification may be given by means of electronic transmission after obtaining prior consent from the recipient(s) thereof. The election or discharge of directors (including independent directors), the amendment of this Company's Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the release from non-competition restrictions on directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or spin-off of the Company, or the matters specified in Article 185, Paragraph 1 of the Company Law shall be listed among the reasons for the meeting and the essential contents shall be explained in the notice to convene a meeting of shareholders, and may not be proposed as extemporary motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company , and such website shall be indicated in the said notice.

When a subject of election of directors (including independent directors) and the date on which the elected person assumed office be listed and described in the notice to convene a meeting of shareholder, the date on which the elected person assumed office cannot be changed either by the way of extemporary motions or by any other method in the said meeting after the election in the meeting of shareholders.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be

included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4

Before any shareholders' meeting, shareholders may submit proxy forms issued by the Company bearing the scope of authorization, name of proxy, and shareholders' meeting to be attended.

Each shareholder may submit one proxy form, and may appoint only one person to serve as a proxy.

Proxy forms must be delivered to the Company at least five days before each shareholder's meeting. If multiple proxy letters are delivered, the first shall take precedence; however, if the shareholder has made a statement to cancel a prior proxy appointment, the preceding sentence shall not apply.

After the proxy form is served to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his voting right in writing or by way of electronic transmission, such shareholder shall file a written notice of proxy rescission with the Company 2 days in advance of the shareholders' meeting. In the event the shareholder fails to rescind the proxy prior to the aforesaid time limit, the voting right exercised by the authorized proxy at the meeting shall prevail.

Article 4-1

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder who exercised his voting right in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person but shall be deemed to have waived his voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. It is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

Article 4-2

If a shareholder exercises his voting right in writing or by way of electronic transmission, his declaration of intention shall be served to the Company 2 days in advance of the shareholders' meeting; if two or more declarations of the same intention are served to the Company, the declaration of such intention firstly received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

After a shareholder exercises his voting right in writing or by way of electronic transmission, in case the shareholder decides to attend the shareholders' meeting in person, such shareholder shall, 2 days in advance of the shareholders' meeting, revoke his declaration of intention by the same method which the shareholder had previously used to exercise his voting right. In the event the shareholder fails to revoke such declaration prior to the aforesaid time limit, the voting right exercised in writing or by way of electronic transmission shall prevail.

If a shareholder exercises his voting right in writing or by way of electronic transmission and appoint a proxy to attend a shareholders' meeting on his behalf by issuing a proxy form, the voting right exercised by the proxy shall prevail.

Article 5

Shareholders' meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such a meeting. The meeting shall not start earlier than 9:00 AM or later than 3:00 PM.

Article 6

The Company shall, in the notification of the shareholders' meeting, specify attending shareholders' check-in time and place for such meeting and other important matters.

The check-in time for attending shareholders shall commence from at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place.

Attending shareholders or their appointed proxies (hereafter referred to as "shareholders") shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.

The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in.

The Company shall provide meeting agenda, annual reports, attendance passes, speech notes, ballots, and other meeting materials to shareholders attending the shareholders' meeting; ballots shall be given to attending shareholders when the election of directors (including independent directors) is to be held.

When the government or a legal entity is a shareholder, more than one representative may attend the shareholders' meeting. However, a legal entity serving as proxy to attend a shareholders' meeting may appoint only one representative to attend the meeting.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the chairman of the Board of Directors shall be the chairman presiding at the meeting. If the chairman of the Board of Directors is on leave or cannot perform his duties for some reason, a proxy may be designated in accordance with Article 208 of the Company Act.

In the event that a director presides at a shareholders' meeting on the chairman's behalf pursuant to the above paragraph, such director shall have held office for at least six months and shall be familiar with the financial and business condition of the Company. The same requirements shall apply when a representative of a juristic-person director presides at a shareholders' meeting.

More than one-half of the directors should attend the shareholders' meeting and the chairman of the board should chair the meeting in person and at least one member of each functional committee(s) attend the meeting on behalf of the committee(s) if that meeting has been convened by the Board of Directors. The attendance shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman. If there is more than one such person entitled to convene the meeting, those persons shall nominate amongst themselves to be the meeting's chairman.

This Company may appoint designated legal counsel, CPA, or relevant persons to attend the shareholders' meeting.

Article 8

From the moment that the Company accepts check-in for the meeting, the attending shareholders' check-in process, the proceeding of the meeting, and the voting and counting process shall be continuously audio recorded and videotaped in its entirety without any interruption.

These audio and video files shall be preserved for at least one year. However, the said files shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Article 9

Attendance at shareholders' meeting shall be determined based on the number of shares. The number of attending shares shall be calculated based on the sign-in book or attendance cards submitted by shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting. The postponements shall be limited to two times at the most and the meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the meeting.

If after two postponements the number of attending shares represented by the attending shareholders has not yet constituted more than one-half of all issued and outstanding shares but the attending shareholders at the meeting represent more than one-third of all issued and outstanding shares, provisional resolutions may be made in accordance with Article 175, Paragraph 1 of the Company Law, and shareholders shall be notified to attend another shareholders' meeting to approve the said provisional resolutions within one month.

If the attending shareholders have constituted more than one-half of all issued and outstanding shares by the end of the meeting, the chairman may submit the foregoing provisional resolutions to the meeting for approval in accordance with Article 174 of the Company Law.

Article 10

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. For each proposal (including extemporary motions and amendments to original proposals), it should be followed by a poll of the shareholders. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporary motions) listed in the agenda are completed. If the chairman announces the adjournment of the meeting in violation of these Rules and Procedures, other members of the Board of Directors shall promptly assist the attending shareholders to elect, by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and extemporary motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting and the chairman should designate sufficient time for a vote.

Article 11

When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any attending shareholder at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder.

Shareholders attending the meeting may raise questions in the section of report items in the agenda only after the chairman or the designated personnel has completed the presentation. The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes, when shareholders raise questions in the section of proposal items and discussion items in the agenda and items proposed in the section of extemporary motions.

The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed three minutes when shareholders raise enquiries and opinion expressions in the section of extemporary motions.

The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item or make the meeting out of order.

Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chairman shall stop such interruption. When a legal-entity shareholder has appointed two or more representatives to attend the meeting, only one representative can speak for each agenda item.

The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.

Article 12

Voting at a shareholders' meeting shall be based on number of shares. The shares of shareholders with no voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions.

If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the meeting, that shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

Article 13

Each shareholder is entitled to one vote for each share held except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System.

If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders.

The ballots for voting or election matters shall be publicly counted at the meeting venue and once the counting is done, the result of voting including the number of votes casted shall be announced at the meeting and placed on record.

Article 14

If the election of directors (including independent directors) is conducted at a shareholders' meeting, such an election shall be performed in accordance with the Company's Director Election Regulations, and the results including the list of elected directors (including independent directors) and the number of votes casted must be announced at the meeting.

The ballots cast in the election in the foregoing paragraph shall be sealed with the signatures of the monitoring personnel and must be given proper safekeeping and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

Article 15

Resolutions made at a shareholders' meeting shall be compiled in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the meeting.

With regard to the issue of minutes in the foregoing paragraph, the minutes may be distributed in the form of an announcement on the Market Observation Post System Website.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of the resolution and voting (including the statistical tallies of the numbers of votes). When there is a proposal of election of directors (including independent directors), the voting results to each candidate shall be disclosed. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

Article 16

The Company shall, on the day of the meeting, compile the number of shares obtained by solicitors and the number of shares represented by proxies in statistical tables in the specified format, and shall post such tables in prominent locations within the meeting place.

If any resolutions made by a shareholders' meeting are material information pursuant to applicable laws and regulations or the Taiwan Stock Exchange Corporation's regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

Article 17

Persons handling affairs of the meeting shall wear identification cards or arm badges. The chairman may order disciplinary officers or security guards to assist in keeping order in the meeting place. Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place.

If the meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman's correction, or disrupt the proceeding of the meeting and fail to desist, to leave the meeting place.

Article 18

During the meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume.

Before the agenda set for the shareholders' meeting are completed, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

The shareholders may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Law.

Article 19

These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

Appendix 7

Delta Electronics, Inc. (the "Company") Operating Procedures of Acquisition or Disposal of Assets (Translation)

June 23, 1989--passed by the Board of Directors
September 12, 1991--amendment passed by the Board of Directors
May 29, 1995--amendment passed by the Board of Directors
April 16, 1996--amendment passed by the Board of Directors
November 26, 1999--amendment passed by the Board of Directors
March 8, 2000--amendment passed by the Board of Directors
February 13, 2003--amendment passed by the Board of Directors
April 9, 2003--amendment passed by the Board of Directors
May 6, 2003--amendment passed by the general shareholders' meeting
May 18, 2004--amendment passed by the general shareholders' meeting
June 8, 2007 – amendment passed by the general shareholders' meeting
June 19, 2012 – amendment passed by the general shareholders' meeting
June 10, 2014 – amendment passed by the general shareholders' meeting
June 10, 2015 – amendment passed by the general shareholders' meeting
June 8, 2016 – amendment passed by the general shareholders' meeting
June 13, 2017 – amendment passed by the general shareholders' meeting
June 10, 2019 – amendment passed by the general shareholders' meeting

Chapter 1 General Principles

Article 1: Legal Basis

These operating procedures ("Operating Procedures") have been promulgated in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission ("Competent Authority").

Article 2: Promulgation and Amendment of the Operating Procedures

The Operating Procedures of Acquisition or Disposal of Assets of the Company shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors and be further submitted to the shareholders'

meeting for approval. The same procedure shall apply to any amendment to the Operating Procedures.

If the Operating Procedures have not been approved by one-half or more of all Audit Committee members, the Operating Procedures may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors.

"All Audit Committee members" and "all directors" in the preceding paragraph referred to in these Operating Procedures shall mean the actual number of persons currently holding those positions.

Article 3: Definition of Terms

1. Derivatives: refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: refers to assets acquired or disposed through mergers, splits, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other applicable laws, or issuance of new shares and by use of the share equity so raised as the consideration payable for acquisition of another company's shares (the "assignment of shares") in accordance with Article 156-3 of the Company Law.
3. Related party and subsidiaries: as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: refers to a real estate appraiser or other person authorized by applicable laws to engage in the appraisal of real estate or equipment.
5. Date of occurrence: refers to the date of contract signing, date of payment, date of completion of trading, date of transfer registration, date of board of directors resolution, or other date confirming the counterpart and amount of the transaction,

whichever date is earlier. However, in the case of investments for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: refers to investments in Mainland China area approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China.
7. As used in the Operating Procedures, "within one year" refers to the year preceding the date of occurrence of the acquisition or disposal of assets; however, items duly announced in accordance with the Operating Procedures will be disregarded.
8. As used in the Operating Procedures, "latest financial statement" refers to the financial statement published and audited or reviewed by the Company's auditing CPA in accordance with applicable laws prior to the acquisition or disposal of assets.
9. As used in the Operating Procedures, "10% of the Company's total assets" is calculated based on the total assets as stated in the most recent stand-alone or individual financial statement prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Chapter 2 Scope of Assets and Investment Limits

Article 4: Scope of assets applicable to the Operating Procedures

1. Securities: including long-term and short-term investments such as stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, deposit receipts, call (put) warrants, beneficiary certificates and asset-backed securities.
2. Real estate (including land, buildings and construction, investment real estate) and equipment.
3. Membership certificates.
4. Intangible assets: including patents, copyrights, trademarks, and franchises, etc.
5. Right-of-use assets.
6. Claims against financial institutions (including receivables, loans and bills purchase discounts, and overdue receivables).
7. Derivatives.

8. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws.
9. Other important assets.

Article 5: The total value of real property, its right-of-use assets or securities acquired by the Company and its subsidiaries ("Subsidiaries") for non-operating use and limit on acquisition of each specific security are as follows:

1. The total value of real property or its right-of-use assets acquired by the Company for non-operating use may not exceed 20% of the Company's net worth as stated in its latest financial statement. The total value of real property or its right-of-use assets acquired by a Subsidiary for non-operating use may not exceed 20% of the Company's net worth as stated in its latest financial statement.
2. The total value of securities acquired by the Company may not exceed 100% of the Company's net worth as stated in its latest financial statement. The total value of securities acquired by a Subsidiary may not exceed 60% of the Company's net worth as stated in its latest financial statement.
3. The specific security acquired by the Company may not exceed 50% of the Company's net worth as stated in its latest financial statement. The specific security acquired by a Subsidiary may not exceed 30% of the Company's net worth as stated in its financial statement.

Chapter 3 Evaluation and Operating Process

Article 6: When assets are acquired or disposed in accordance with the Operating Procedures, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance and then submit it for approval by the authorized person according to the authorized limit table approved by the Board of Directors. If the amount of the assets to be acquired or disposed exceeds the amount as set forth in the authorized limit table, the transaction may be implemented only after approved by the Board of Directors.

The execution departments referred to in the foregoing paragraph are as follows:

1. For securities: the Investment Department and the Finance Department.
2. For real property and equipment: the Department which uses such assets and the Finance Department.

3. For membership certificate: the Finance Department.
4. For intangible assets: each business unit, Legal and Intellectual Property Department or other competent department concerned.
5. For right-of-use assets: the Department which uses such assets and the Finance Department.
6. For claims against financial institutions: the Finance Department.
7. For derivatives: the Finance Department.
8. For assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with applicable laws: the Investment Department.
9. For other important assets: the Department which uses such assets.

Article 7: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" or the Operating Procedures shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 8: When the Company acquires or disposes of assets through court auction procedures, the relevant evidence documentation issued by the court may be used as substitute for the appraisal report or the accountant opinion.

Article 9: If any acquisition or disposal of assets should be approved by the Audit Committee, the Board of Directors, or the shareholders' meeting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority, the Operating Procedures or other applicable laws, paragraph 1 of Article 6 of the Operating Procedures shall not apply to such acquisition or disposal of assets. In this case, the execution department shall evaluate the terms and conditions of the transaction according to the Company's internal operating procedures in advance, and then approved by one-half or more of all Audit Committee members and submit it for approval by the Board of Directors, or approval by the shareholders' meeting.

If approval of more than half of all audit committee members is not obtained regarding the acquisition or disposal of assets as set forth in the preceding paragraph, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors.

Chapter 4 Guidelines for the Acquisition or Disposal of Assets and Operating Procedures

Article 10: When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, first obtain the latest audited or reviewed financial statement of the issue company for reference in appraising the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. If the accountant needs to use an expert's report, the accountant shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (the "ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.

Article 10-1: Where the transaction amount of a proposed acquisition or disposal in a specific security by a Subsidiary exceeds NT\$1 billion, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.

Article 11: The Company shall comply with the following guidelines with regard to the acquisition or disposal of real property, equipment or its right-of-use assets:

When acquiring or disposing real property, equipment or its right-of-use assets, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring equipment for operating use or its right-of-use assets, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances a limited price, specific price or specified price should be used as reference price in determining the transaction price, such transaction shall be submitted for approval by the Board of Directors in advance, and the same procedures shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. If the transaction amount is NT\$1 billion or more, the Company shall obtain appraisal reports from at least two professional appraisers.
3. If the professional appraiser's appraisal results revealed any of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the Company shall appoint an accountant to conduct the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and render a specific opinion regarding the cause of the differences and the reasonableness of the transaction price:
 - (1) Where the difference between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) Where the difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. The period from the date of the appraisal report issued by a professional appraiser to the execution date of the relevant sale and purchase agreement should be no more than three months. However, where the publicly announced current land value for the same period is used and not more than six months have elapsed from the original appraisal report, an opinion may still be issued by the same professional appraiser.

5. Items which should be included in an appraisal report are:
- (1) Items required in accordance with Regulations on Real Estate Appraisal.
 - (2) Matters regarding the professional appraiser and its appraisal personnel:
 - a. The professional appraiser's name, amount of paid-in capital, organizational structure, and personnel composition.
 - b. The names, ages, academic records and curriculum vitae (with relevant evidences), number of years performing appraisal work and employment period, and number of appraisals conducted of the appraisal personnel.
 - c. Relationship between professional appraiser, appraisal personnel, and the client.
 - d. Declaration of no false statement or omission being contained in the appraisal report.
 - e. Date of appraisal report.
 - (3) Basic information of the subject property, which shall at least include the name and nature, location, and area of the subject property.
 - (4) Examples of transactions involving other properties that are located within the area as the subject property.
 - (5) When the appraisal type is for a specific price or specified price, the conditions of the specific or specified price and whether said conditions are met under current circumstances, the reason for the difference between the normal prices and such specific or specified price and the reasonableness of such difference, and whether the specific price or specified price is qualified to be used as reference for the transaction price.
 - (6) In terms of a joint development contract, the reasonable allocation percentage between the parties should be provided.
 - (7) An estimate of land value incremental tax.
 - (8) In case that appraised value of the subject property at the same appraisal date among appraisers differs and the difference is twenty percent or more, whether measures provided in Article 41 of the Real Estate Appraiser Act has been taken.
 - (9) Attachments to the appraisal report shall include the appraisal details of the subject property, ownership registration information, photocopy of cadastral map, urban planning sketch, location map of the subject property, certificate

of land use zoning, and photographs showing current condition of the subject property.

Article 11-1: Where the transaction amount of a proposed acquisition or disposal by a Subsidiary in a specific real property or its right-of-use assets for non-operating use exceeds NT\$300 million, the proposed acquisition or disposal shall be approved by the Company's Audit Committee and the Board of Directors by resolution in advance.

Article 12: Procedures governing transactions with a related party are as follows:

1. When the Company acquires or disposes of assets from or to a related party, in addition to complying with the requirements set forth in Article 10, Article 11 and Article 13 and following required resolution procedures and assessing the reasonableness of the transaction terms and other relevant matters in accordance with the following provisions, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant's opinion in accordance with Article 10, Article 11 and Article 13.

The aforementioned calculation of the transaction amount shall be made in accordance with Article 13-1 hereof. Furthermore, when determining whether the transaction counterparty is a related party, in addition to legal formalities, the Company shall take into consideration of the substance of the relationship between the transaction parties.

2. Appraisal and operating procedures:

Where the Company acquires or disposes of real property or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the Company may proceed to enter into a transaction contract and make only after submitting the following information to the Audit Committee and obtaining approval by one-half or more of all Audit Committee members and, after submitting the same

to the Board of Directors, obtaining approval from the Board of Directors, and paragraphs 2 and 3 of Article 2 shall apply mutatis mutandis:

- (1) The purpose, necessity and estimated benefits of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as the transaction counterparty.
- (3) With respect to the acquisition of real property or its right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of items (1) to (4) and (6) of subparagraph 3 of this Article 12.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cashflow forecasts for the year beginning from the anticipated month of execution of the contract, and evaluation of the necessity of the transaction, and reasonableness of the use of funds.
- (6) An appraisal report from a professional appraiser or an accountant's opinion obtained in accordance with this Article.
- (7) Restrictive covenants and other important terms in connection with the transaction.

The aforementioned calculation of the transaction amount shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to and approved by the audit committee and the Board of Directors in accordance with the Operating Procedures need not be counted toward the said transaction amount and shall be subject to mutatis mutandis application of Article 2, paragraphs 2 and 3.

3. Assessment of reasonableness of transaction cost:

- (1) The Company shall use the following methods to assess the reasonableness of the transaction cost when acquiring real property or its right-of-use assets from a related party:
 - a. Based upon the related party's transaction price plus necessary interest on funding and the costs payable by the buyer in accordance with applicable law. "Necessary interest on funding" refers to and is calculated by use of the weighted average interest rate on funds

borrowed by the Company in the year when the Company plans to purchase the property as the basis. However, such necessary interest on funding may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

- b. Based upon the total appraisal value from a financial institution if the related party has previously taken a mortgage on the property as security for a loan; provided that the actual cumulative amount lent by the financial institution shall be 70% or more of the financial institution's appraisal value for the property and the loan shall have been disbursed and outstanding for one year or more. However, this method shall not apply if the financial institution is a related party of one of the transaction counterparties.
- (2) Where the land and the building situated thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the building may be separately appraised in accordance with either of the methods set forth in the preceding paragraph.
 - (3) When the Company acquires real property or its right-of-use assets from a related party, it shall appraise the cost of the real property or its right-of-use assets in accordance with the provisions of items (1) and (2) of this subparagraph, and shall also engage an accountant to review the appraisal result and issue a specific opinion regarding appraisal result.
 - (4) Where the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) and (2) of this subparagraph are both lower than the transaction price, the transaction shall be handled in accordance with the provisions of item (5) and (7) of this subparagraph. However, if any of the following circumstances occur and where any objective evidence has been provided and specific opinions on reasonableness of the transaction price have been obtained from a professional appraiser and an accountant have been obtained, the preceding paragraph shall not apply:
 - a. When the related party has acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - i. The undeveloped land is appraised in accordance with the foregoing

methods as set forth in the provisions of item (1) to (3) and (6) of this subparagraph, and the building is appraised according to the related party's construction cost plus reasonable construction profit, and the total appraised value of the land and the building is in excess of the actual transaction price. "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- ii. Concluded transactions or leasing by unrelated parties within the preceding year involving other floors of the same target property or properties located in the neighboring area, of which the property size and transaction terms are similar to the proposed transaction after taking into consideration of reasonable price differences in floor or area prices in accordance with standard real property market practices or standard real property leasing market practices.
 - b. Where the Company provides evidences that the terms of the proposed acquisition of real property or obtaining real property right-of-use assets through leasing with the related party are similar to the terms of transactions concluded for the acquisition of property located in neighboring area of a similar size by unrelated parties within the preceding year. Concluded transactions for the acquisition of property located in neighboring area in the preceding paragraph in principle refers to property located at the same or an adjacent block of the target property and within a distance of no more than 500 meters or the publicly announced current value of the property is close to that of the target property; transaction of similar size refers to transactions concluded by unrelated parties with a land area of no less than 50% of the target property; within one year refers to one year preceding the date of occurrence of the proposed acquisition of the target property or its right-of-use assets.
- (5) When the Company acquires real property or its right-of-use assets from a related party and the results of appraisal performed in accordance with the provisions of items (1) to (4) and (6) of this subparagraph are both lower than the transaction price, the Company shall comply with the following provisions.

In addition, if the Company have allocated a special reserve in accordance with the following provisions, the Company may not utilize such special reserve until it has recognized loss due to price decline in market value of the assets it purchased or leased at a premium, or such property has been disposed of, or adequate compensation has been made, or the leasing contract has been terminated, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and approval in connection therewith from the Competent Authority shall have been obtained.

- a. The Company shall allocate the difference between the real property or its right-of-use assets transaction price and the estimate cost as a special reserve in accordance with paragraph 1, Article 41 of the Securities and Exchange Act, and shall not be distribute this reserve or use it for capitalization and issuance of new shares. If an investor that has investment in the Company by using the equity method is a public company, it shall also allocate special reserve in an amount in proportion to its shareholding in the Company according to paragraph 1, Article 41 of the Securities and Exchange Act.
 - b. The independent directors in Audit Committee of the Company shall comply with Article 218 of the Company Law.
 - c. The Company shall report matters handled under the foregoing items (1) and (2) to the shareholders' meeting and shall disclose the details of the transaction in its annual report and prospectus.
- (6) When the Company acquires real property or its right-of-use assets from a related party and any of the following circumstances occur, it shall implement the transaction in accordance with the appraisal and operating procedures in subparagraph 2 of this paragraph, and items (1) to (3) of this subparagraph regarding the assessment of the reasonableness of transaction cost are not applicable:
- a. The related party acquired the real property or its right-of-use assets through inheritance or as a gift.
 - b. More than five years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the execution date of the proposed transaction.
 - c. The real property is to be acquired through signing of a joint

development contract with the related party or through engaging the related party to build real property, either on the Company's own land or on a leased land.

- d. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

- (7) When the Company acquires real property or its right-of-use assets from a related party and there is other evidence indicating that such acquisition does not conform to conventional business practice, the Company shall act in accordance with item (5) of this subparagraph.

Article 13: The Company shall comply with the following guidelines with regard to the acquisition or disposal of intangible assets or its right-of-use assets or membership certificates:

When the Company acquires or disposes of intangible assets or its right-of-use assets or membership certificates and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, the Company shall, prior to the date of occurrence of the event, appoint an accountant to render an opinion on the reasonableness of the transaction price. The accountant so appointed shall act in accordance with Statement of General Auditing Procedures No. 20 published by the ARDF accordingly.

Article 13-1: The calculation of the transaction amount referred to in Articles 10, 10-1, 11, 11-1 and 13 shall be made in accordance with subparagraph 7 of paragraph 1 of Article 17 hereof, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant's opinion is obtained in accordance with these Operating Procedures need not be counted toward the transaction amount.

Article 14: The Company shall comply with the following guidelines with regard to the acquisition or disposal of claims against financial institutions: The Company shall not engage in the acquisition or disposal of claims against financial institutions. If the Company wishes to acquire or dispose of claims against financial institutions in the future, it shall promulgate assessment and operating procedures after obtaining approval by the Board of Director.

Article 15: Procedures governing derivatives trading activities are as follows:

1. Trading principles and strategies:

(1) Types of trades:

The scope of the Company's derivatives trading shall be limited to forward foreign exchange, options, interest rate or exchange rate swaps, outright bond purchase and sale, and repurchase transactions. Prior approval of the Board of Directors is required for trading of other types of products.

(2) Operating and hedging strategies:

The Company shall engage in derivatives trading for the purpose of mitigating risks. When selecting derivatives products, the Company shall choose from the products with a view to mitigate the risks arising from the Company's business operating. In addition, to avoid creating credit risk, the Company shall choose derivatives trading counterparties from the Company's correspondent banks to the extent possible.

(3) Delegation of powers and duties:

a. Funds management: Funds management is the pivot of the foreign exchange management system; it is necessary to acquire foreign exchange mark information, assess trends and risks, have knowledge of financial products, be familiar with relevant laws and regulations and have relevant skills in order to provide the management, sales, purchasing, accounting, and funds management departments with sufficient and up-to-date information.

b. Accounting Department: Accounting Department is responsible for the control of the Company's overall foreign exchange position and shall accurately calculate realized and future positions for the Company to set account exchange rates and lock in profit and cost, which may avert the performance of the Company's core business from being influenced by exchange rate fluctuations. Accounting Department needs to rely on the information provided by purchasing and sales departments for the prediction and creation of positions, and a high level of accuracy of such information is essential to the holding of positions.

(4) Trading limits:

a. Hedging trade limit: The Company shall use the monthly trading-type foreign exchange hedge net position as the hedging limit. Any excess of

such limit shall be approved by the Board of Directors in advance.

- b. Special purpose trade limit: Special purpose trading limit shall be confined to capital expenditures, corporate bonds, and long-term investments and the actual amount of such transactions is used as the maximum hedging amount.
 - c. Others: The trading limit, stop-loss limit, and authorized limit for other trades which does not belong to the two foregoing categories should be approved by the Board of Directors before execution.
- (5) Performance evaluation:
- a. Performance evaluation shall be based on the exchange rate costs on the Company's books and profit/loss from derivatives trading.
 - b. The Company has adopted a monthly profit/loss appraisal approach in order to accurately manage and disclose price risks of derivatives trading.
- (6) Setting of loss limits:
- a. Hedging trade:
 - i. After a trading position has been established, a stop-loss spot must be set to prevent over-limit losses. The stop-loss spot shall not exceed 10% of the trading contract amount. If the loss amount exceeds 10% of the trading amount, such event shall be immediately reported to CEO and the Board of Directors for discussion of necessary counter measures.
 - ii. The loss amount for each trading contract shall not exceed 10% of the contract amount.
 - iii. After a trading position has been established, a clear stop-loss exchange rate and interest rate shall be set based on 10% of the amount shown on the trade approval sheet. The stop-loss exchange rate and interest rate shall be recorded in the trade approval sheet and prior approval for the transaction shall be obtained in accordance with the authorized limit table. Market fluctuations must be monitored constantly so long as a position is held; if the exchange rate or interest rate reached the stop-loss spot, stop loss measures must be immediately implemented.

b. Special purpose trade:

Special purpose trade is used to hedge risks for definite purpose, and there must be specific corresponding hedge positions. In principle, a special purpose trade will not be early terminated.

2. Operating procedures:

(1) Authorized limit (including hedging trades and special purpose trades):

In accordance with the Company's growth of sales, change of risk positions, and designated purpose, the authorized limits of the Company are set as follows. Any amendment to the authorized limit shall be handled in accordance with these Operating Procedures.

	Upper limit on single trades	Total daily limit
CEO	US\$40 million	US\$100 million
Chief Officer of Finance Department	US\$20 million	US\$50 million
Officer of Funds Management Department	US\$5 million	US\$15 million

To ensure that the Company's authorization cooperate with the corresponding bank's oversight, the foregoing authorized limits and operating and hedging strategies shall be reported to the relevant corresponding bank. The bank shall be notified of any amendment to the authorized limit and make corrections thereof. In addition to compliance with the existing terms between Company and the bank, the bank shall be requested to continue to control the Company's trading and positions in accordance with the foregoing authorized limit table.

(2) Execution department:

As derivatives trading is characterized by rapid fluctuations, large monetary amounts, frequent trading, and complex calculations, it is necessary to appoint well trained professionals to conduct the trading and management. Thus, all derivatives trading shall be executed by authorized funds management personnel designated by the Chief Officer of the Finance Department.

3. Accounting treatment:

Accounting treatment shall be handled in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Internal control system:

(1) Risk management measures:

- a. Credit risk considerations: In principle, transaction counterparties are limited to the Company's correspondent banks and those who could provide professional information.
 - b. Market risk considerations: The major trading market is to trade in the OTC (over-the-counter) market via banks. The Futures market is not taken into consideration currently.
 - c. Liquidity considerations: To ensure liquidity, the bank which the Company transacts with should have sufficient equipment, information, and trading capabilities, and should be able to trade in any market.
 - d. Operation considerations: To avoid operation risk, the Company shall observe the authorized limit and operating procedures closely.
 - e. Legal risk: To avoid legal risk, all documents to be entered into between the bank and the Company shall be reviewed by the Legal Department and the Finance Department before execution.
 - f. Product risk: Internal trading officers and counterparty banks should possess extensive and correct professional knowledge in connection with the trading of financial products. It is required for the counterparty banks to fully disclose risks to the Company so as to avoid losses from incorrect use of financial products.
 - g. Cashflow risk: In addition to strictly observe the limits as set forth in the authorized limit table, the trading officers shall pay close attention to the Company's foreign currency cash-flow so as to ensure that there is sufficient cash to pay for F/X settlements.
- (2) Internal control:
- a. Trading personnel shall not concurrently serve as confirmation and settlement personnel.
 - b. Trading personnel shall give trading vouchers or contracts to recording personnel for records.
 - c. Recording personnel shall regularly check account balances with correspondent banks or request for bank statements.
 - d. Recording personnel shall check whether the total amount of trades has exceeded the net position of foreign currency assets, liabilities and commitment net positions from time to time.
 - e. The Funds Management Department shall assess the profit/loss status

based on the final posted daily exchange rates and produce a report thereof at the end of each month. The Funds Management Department shall submit such report to the Chief Officer of the Finance Department and the Company's senior management officers.

- f. Personnel responsible for the risk assessment, monitoring, and control shall be assigned to different departments from the personnel referred to in the foregoing subparagraphs, and shall report to the Board of Directors or senior management officers not responsible for trading or position decisions.

(3) Regular evaluation methods:

- a. The Board of Directors shall authorize senior management personnel to regularly monitor and evaluate whether derivative trades are executed under the Company's trading procedures, and determine whether the risk exposure is within the acceptable limits. Whenever a market price evaluation report contains any irregularity (such as the position held exceeding the loss limit), the aforementioned personnel shall immediately report to the Board of Directors and take necessary counter measures.
- b. Derivative trading positions held shall be evaluated at least once each week. However, hedging trades executed for the Company's business needs shall be evaluated at least twice each month. Evaluation reports shall be submitted to the Chief Officer of the Finance Department.

(4) Oversight principles for derivative trading by the Board of Directors:

- a. The Board of Directors shall appoint senior management officers to regularly monitor and control the derivatives trading risk. The guidelines for monitoring and control are as follows:
 - i. Periodically evaluate whether the risk management measures currently adopted are appropriate and are conducted under these Operating Procedures and derivative trading operating guidelines promulgated by the Company.
 - ii. Monitoring trading activities and profit/loss status, whenever irregularities are found, the senior management officers shall take appropriate counter measures and shall immediately report to the Board of Directors.

- b. Periodically evaluate whether derivatives trading performance is consistent with the Company's established operational strategy and whether the risk exposure is acceptable to the Company.
 - c. When engaging in derivatives trading, the Company shall report to the next Board of Directors meeting after it authorizes relevant personnel to conduct derivatives trading under with the derivative trading operating guidelines promulgated by the Company.
 - d. The Company shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under items (3).b, (4).a.i and b of subparagraph 4 of this paragraph, shall be recorded in detail in the memorandum book for inspection.
5. Internal audit system:
- (1) The Company's internal auditor shall periodically review the appropriateness of the internal control system of derivatives trading, conduct a monthly audit of compliance of derivatives trading operating procedures by the execution department, analyze trading cycles, and prepare an audit report accordingly. The internal auditor shall notify the Audit Committee of the Company in writing if any material violation is found.
 - (2) The Company's internal auditor shall file the audit report together with the annual internal audit review report for the preceding year with the Competent Authority by the end of February each year. The Company's internal auditor shall also report any improvements of irregularities during the preceding year to the Competent Authority by the end of May each year.

Article 16: Procedures governing mergers or consolidations, splits, acquisitions, or assignment of shares are as follows:

- 1. Appraisal and operating procedures:
 - (1) When the Company wishes to conduct a merger or consolidation, split, acquisition, or assignment of shares, it may engage an accountant, lawyer, and underwriter to jointly review statutory procedures and proposed timetable; the Company shall also form a project execution team to implement the transaction in accordance with statutory procedures. The Company should, prior to convening a meeting of the Board of Directors to decide on the matter,

further engage an accountant, lawyer, or underwriter to render opinions regarding the reasonableness of the share swap ratio, acquisition price, or distribution of cash or other property to shareholders, and shall submit the same to the Board of Directors for discussion and approval. In the event the Company merges with its wholly owned subsidiary(ies), or the merger occurs between or among the Company's wholly owned subsidiaries, the above-mentioned appraisal report from a professional appraiser may be exempted.

- (2) When conducting a merger or consolidation, split, or acquisition, the Company shall prepare a public report to its shareholders, specifying important contractual contents and matters relevant to the merger or consolidation, split, or acquisition prior to the shareholders' meeting. The Company shall attach such public report and the expert opinions referred to in item (1) of this subparagraph when sending the notice of shareholders' meeting for shareholders' reference in determining whether to approve the merger or consolidation, split, or acquisition. However, if the convention of shareholders' meeting to approve the merger or consolidation, split, or acquisition is exempted by applicable laws, the notification requirement for sending the notification in the preceding paragraph shall not apply. Moreover, where any one of the companies participating in a merger or consolidation, split, or acquisition fails to convene or obtain a resolution due to lack of a quorum, insufficient votes, or restrictions by applicable laws, or the proposal was vetoed by the shareholders' meeting, such company shall immediately publicly announce an explanation of the reason for such failure, follow-up measures to be taken, and the proposed date of the next shareholders' meeting.

2. Other matters to be noted:

- (1) Date of shareholders' meeting or meeting of the Board of Directors: Companies participating in a merger or consolidation, split, or acquisition shall convene their board meetings and shareholders' meetings on the same day to resolve matters relevant to the merger or consolidation, split, or acquisition, unless otherwise provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance. Companies participating in an assignment of shares shall convene their board meetings on the same day, unless otherwise

provided by applicable laws or there are extraordinary conditions which should be reported to and approved by the Competent Authority in advance.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:

- a. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved prior to disclosure of the information in the planning or implementation of any merger or consolidation, split, acquisition, or assignment of another company's shares.
- b. Dates of material events: including those for signing of any letter of intent or memorandum of understanding, engaging of a financial or legal advisor, execution of a contract, and convening of a board of directors meeting.
- c. Important documents and minutes: including merger or consolidation, split, acquisition, or plan of assignment of share, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger or consolidation, split, acquisition, or assignment of another company's shares, the Company shall, within two days commencing from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

Where any of the companies participating in a merger or consolidation, split, acquisition, or assignment of another company's shares is neither listed in the securities exchange nor trading over-the-counter, the Company shall sign an agreement with such company in order to prepare a full written record of the information of basic identification data for personnel, dates of material events and important documents and minutes and retain it for five years for reference and to report (in the prescribed format and via the Internet-based information system) the aforementioned basic identification data for personnel and dates of material events to the Competent Authority for recordation.

- (2) Commitment to confidentiality obligations in advance: Each person participating in or being informed of the plan for merger or consolidation, split, acquisition, or assignment of shares shall execute a written undertaking of confidentiality and shall not disclose the contents of the plan prior to public announcement of information in connection with the plan and shall not trade, in their own names or under the name of another person, in any stock or other equity security of any company related to the plan for merger or consolidation, split, acquisition, or assignment of shares.
- (3) Principles for setting and amending share swap ratio or acquisition price: When conducting a merger or consolidation, split, acquisition, or assignment of shares, except for the following circumstances, the share swap ratio or acquisition price shall not be amended arbitrarily and the circumstances in which the share swap ratio or acquisition price could be amended should be provided in the contract for the merger or consolidation, split, acquisition, or assignment of shares:
- a. Capital increase by cash, issuance of convertible bonds, free distribution of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity securities.
 - b. Any disposal of material assets of the company or other action which may have a material adverse effect on the company's financial condition or business.
 - c. A disaster or major technological shift or other event which may affect shareholder's equity or the share price.
 - d. An adjustment results from the buy-back of treasury stock by any of the companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
 - e. An increase or decrease in the number of entities or companies participating in the merger or consolidation, split, acquisition, or assignment of shares.
 - f. Other terms and conditions allowing amendments which have been provided in the relevant contract and have been publicly disclosed.
- (4) Items to be provided in contract: In addition to those items required under Article 317-1 of the Company Law and Article 22 of the Business Mergers and Acquisitions Act, the contract for participation in a merger or consolidation, split,

acquisition, or assignment of shares shall provide the following provisions:

- a. Remedy for breach of contract.
 - b. Principles for the handling of equity securities previously issued or treasury stock previously bought back by any company that is to be dissolved in a merger or that is spun off.
 - c. The amount of treasury stock that could be bought back by participating companies in accordance with applicable laws after the record date of calculation of the share swap ratio, and the handling principles thereof.
 - d. Methods for handling changes in the number of participating entities or companies.
 - e. Estimated schedule for execution of the plan, and anticipated completion date.
 - f. Scheduled date for convention of shareholders' meeting in accordance with applicable laws in the event that execution of the plan falls behind the estimated schedule and relevant handling procedures.
- (5) Changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares: After relevant information has been publicly announced, if any company participating in the merger or consolidation, split, acquisition, or assignment of shares intends further to carry out a merger or consolidation, split, acquisition, or assignment of shares with another company, all of the participating companies shall repeat the procedures or legal actions that had originally been completed toward the merger or consolidation, split, acquisition, or assignment of shares; except that where the number of participating companies is decreased and the participating company's shareholders' meeting has resolved and authorized the Board of Directors to amend the terms, such participating company could be exempted from convening another shareholders' meeting to resolve the matter again.
- (6) Where a company participating in a merger or consolidation, split, acquisition, or assignment of shares is not a public company, the Company shall sign an agreement with that company, and shall conduct the merger or consolidation, split, acquisition, or assignment of shares in accordance with the Board of Directors meeting or the general meeting convention date specified in item (1) of this subparagraph, the confidentiality obligation in item (2), and the

requirements regarding changes in the number of companies participating in a merger or consolidation, split, acquisition, or assignment of shares in item (5), subparagraph 2 of this Article 16.

Chapter 5 Disclosure of Information and Public Announcement and Reporting Procedures

Article 17: Items to be publicly announced and reported and requirements for public announcement and reporting are as follows:

1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million; provided, however, that this paragraph shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
2. Merger or consolidation, split, acquisition, or assignment of shares.
3. Any losses from derivatives trading which reaches the limits on aggregate losses or losses for individual contracts under the operating procedures promulgated by the Company.
4. Where equipment or its right-of-use assets for operational use are acquired or disposed of, and the transaction counterparty is not a related party, and the transaction amount is NT\$1 billion or more.
5. Acquisition or disposal of real property under arrangement of commissioned construction on self-owned or leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the transaction amount to be invested by the Company is NT\$500 million or more.
6. Other asset transactions other than those referred to in the preceding five subparagraphs, disposal of receivables by a financial institution, or investment in the Mainland China area, and the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300 million or more; provided that the public reporting requirement shall not apply to the following circumstances:

- (1) Trading of domestic government bonds.
 - (2) Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
7. The transaction amount shall be calculated as follows; and the term "within one year" refers to the year preceding the date of occurrence of the proposed transaction; and items which has been duly announced in accordance with applicable regulations may be disregarded for the calculation:
- (1) The amount of each transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within one year.
 - (3) The cumulative transaction amount of acquisitions and disposals of real property or its right-of-use assets in the same development project within one year (the amount for acquisition and the amount for disposal shall be calculated separately).
 - (4) The cumulative transaction amount of acquisitions and disposals of the same security within one year (the amount for acquisition and the amount for disposal shall be calculated separately).

Article 18: Deadline for public announcement and reporting:

When acquiring or disposing of assets, if such acquisition or disposal is one of the items that should be publicly announced and reported, and the transaction amount reaches the requirements for public announcement and reporting, the Company shall make the public announcement and reporting on the website designated by the Competent Authority in the format prescribed by the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" promulgated by the Competent Authority within two days commencing from the date of occurrence of the event.

Article 19: Procedures governing public announcement and reporting are as follows:

1. The Company shall make the public announcement and reporting of relevant information on the website designated by the Competent Authority in accordance with the preceding Article 18.
2. The Company shall post information regarding derivative trading activities of the Company and its subsidiaries that are not domestic public companies during the

preceding month on the reporting website designated by the Competent Authority in the required format by the tenth day of each month.

3. If any required items publicly announced by the Company in accordance with applicable regulations contain errors or omissions and a correction thereof is necessary, the Company shall make a public announcement and report of such items in their entirety again within two days from the date it learns of the occurrence of the given matter.
4. When acquisition or disposal of assets, unless otherwise provided in other applicable laws, the Company shall keep all relevant contracts, resolution minutes, memorandum books, appraisal reports, and opinions of accountants, lawyers, or underwriters for at least five years.
5. After the Company has publicly announced and reported a transaction in accordance with applicable regulations, in case any of the following event occurs, it shall report relevant information on the website designated by the Competent Authority within two days commencing from the date of occurrence of the event:
 - (1) Any amendment, termination or discharge of the contracts originally executed in the transaction.
 - (2) The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled completion date set forth in the relevant contract.
 - (3) Change in publicly announced and reported information.

Chapter 6 Supplemental Provisions

Article 20: The Subsidiaries shall comply with the following provisions:

1. The Subsidiaries shall promulgate its own "Operating Procedures of the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies," and shall submit the said operating procedures for approval by the Board of Directors first and then by the shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating procedures. If a Subsidiary has established an audit committee, the aforesaid promulgation shall be subject to the consent of one-half or more of all its audit committee members and be submitted to its board of directors for approval first and then by its shareholders' meeting. The same procedure shall apply in the event of any amendment to the said operating

procedures.

2. When a Subsidiary acquires or disposes of assets, the Subsidiary shall act in accordance with these Operating Procedures. The Audit Division of the Company shall include the operating specifics of the acquisition or disposal of assets by the Subsidiaries as one of the internal audit items and shall conduct audits regularly or randomly; and shall review the self-check report prepared by the Subsidiaries.
3. If a Subsidiary is not a public company but its transaction amount of acquisition or disposal of assets meets the requirement of public announcement and reporting in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies", the Company shall make the public announcement and reporting on behalf of the Subsidiary.
4. With regard to requirement of public announcement and reporting for subsidiaries, the provisions regarding "exceeding 20% of the Company's paid-in capital" or 10% of the total assets shall refer to the parent company's paid-in capital or total assets.

Article 21: Penalty provision is as follows:

If any of the Company's officers in charge of the acquisition or disposal of assets violates the Operating Procedures and such violation is verified, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

Article 22: Any matters not provided in these Operating Procedures shall be handled in accordance with applicable laws and regulations.

Appendix 8

Delta Electronics, Inc. (the "Company") Operating Procedures of Fund Lending (Translation)

November 6, 1995--passed by the Board of Directors
December 5, 1995--amendment passed by the Board of Directors
April 16, 1996--amendment passed by the Board of Directors
February 23, 2002--amendment passed by the Board of Directors
March 22, 2002--amendment passed by the Board of Directors
February 13, 2003--amendment passed by the Board of Directors
May 6, 2003--passed by the general shareholders' meeting
May 18, 2006-- passed by the general shareholders' meeting
June 10, 2009-- passed by the general shareholders' meeting
June 15, 2010-- passed by the general shareholders' meeting
June 19, 2012-- passed by the general shareholders' meeting
June 7, 2013-- passed by the general shareholders' meeting
June 10, 2015-- passed by the general shareholders' meeting
June 10, 2019-- passed by the general shareholders' meeting

Article 1:

The Company shall comply with these operating procedures ("Operating Procedures") when lending funds to others. Any matters which are not provided herein shall be governed by applicable laws and regulations.

Article 2: Recipients, Reasons and Necessity of Fund Lending

1. The lending of funds made to other companies or enterprises with which the Company has business relations shall be confined to the operating needs of a related party.
2. The Company shall not provide short-term financings to other companies or enterprises except under the following circumstances:
 - (1) Where more than 50% of the equity shares with voting rights of the funding recipient is held directly and indirectly by the Company, and the recipient is in need of short-term financing in connection with its financial and operational demands.
 - (2) Where more than 50% of the Company's equity shares with voting rights are directly and indirectly owned by another company, and such company is in need of short-term financing

in connection with its financial and operational demands.

- (3) Where a related party is in need of short-term financing in connection with its material-purchasing or operational needs.
- (4) Other circumstances where the funding recipient is in need of short-term financing, and the funding is approved by the Board of Directors of the Company.

Article 3: Total Amount of Funds Lending and Limit for Each Recipient

1. When lending funds to other companies or enterprises with which the Company has business relations, the amount lent to a single recipient shall not exceed the total transaction amount between the recipient and the Company in the most recent year and shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements, and the total amount lent shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements; when providing short-term financing to other companies or enterprises, the short-term financing amount to a single recipient shall not exceed 20 percent of the Company's net worth as stated in the Company's latest financial statements, and the total short-term financing amount shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Company has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Company's net worth as stated in the Company's latest financial statements.
2. When a subsidiary of the Company ("Subsidiary") lends funds to other companies or enterprises with which the Subsidiary has business relations, the amount lent to recipients shall not exceed the total transaction amount between the recipient and the Subsidiary in the most recent year and the total amount lent shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements; when providing short term financing to other companies or enterprises, the total short-term financing amount shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements. The aggregate amount of total funds lent to other companies or enterprises with which the Subsidiary has business relations and total short-term financing provided to other companies or enterprises shall not exceed 40 percent of the Subsidiary's net worth as stated in the Subsidiary's latest financial statements, provided that, the restriction of 40% net worth of lending company and limits of 1 year duration shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds,

directly or indirectly, 100% of the voting shares.

"Related party", "subsidiary" and "parent company" referred to herein shall be determined according to the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

"Net worth" referred to herein shall mean the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4: Term of Fund Lending and Calculation of Interest

The term of each individual loan or funding offered by the Company shall not exceed one year, and the interest rate for each loan or funding shall be adjusted variably according to the funding cost of the Company.

Article 5: Procedures for Fund Lending

1. Handling Procedures

- (1) When lending funds or providing short-term financing to others, the Company's division in charge shall review and submit the proposal for the Chairman of the Board's approval, and shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors. The Board of Directors may authorize the Chairman to lend in installments or to revolve the credit facility when lending funds to the same party, within a certain amount resolved by the Board of Directors and within one year. The aforesaid "certain amount" means that the authorized amount of loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the lending company, provided that such restriction shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares or inter-company loans of funds between the Company and foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- (2) The Finance Division of the Company shall set up a record book for recording matters relating to fund lending by the Company. After a lending of funds has been approved by the Board of Directors, the Finance Division shall record the details of the entity to which the

lending of funds is made, amount, date of approval by the Board of Directors, drawdown date, and matters to be carefully evaluated in accordance with the Operating Procedures in the record book for further inspection.

- (3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify the Audit Committee of the Company in writing.
- (4) The Finance Division of the Company shall prepare a table listing the lending of funds made or revoked each month in order to facilitate the Company's internal control, tracking, and the making of public announcement and reporting. The Finance Division of the Company shall also evaluate and reserve sufficient allowance for bad debts each quarter, and shall disclose information relating to the lending of funds made by the Company in the Company's financial statements and shall provide relevant information to the Company's external auditing CPA.
- (5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to the Audit Committee of the Company and rectify as scheduled under the corrective plans.

2. Review Procedures

- (1) The company or enterprise which applies for funds shall provide its relevant financial information and specify its intended usages of funds in writing for the Company's review.
- (2) After receiving the application for lending of funds, the Company's division in charge shall investigate and evaluate the necessity and reasonableness of the funding, whether there are direct or indirect business relations between the funding recipient and the Company, the recipient's financial and operational condition, the recipient's ability for repayment of indebtedness and its credit worthiness, profitability, and intended usages of funds. The extents of impact of the Company's aggregate amount of funds lent on the Company's operations, financial conditions and shareholders' equity shall also be taken into consideration, and the division in charge shall then prepare a written report based on its evaluation and submit the report to the Board of Directors for review.
- (3) When lending funds or providing short-term financing to others, the Company shall require the borrower to provide guarantee notes in the same amount of funds lent and if necessary, shall require the borrower to provide personal property or real property as collaterals and to

perfect the liens on the collaterals, and the Company shall evaluate quarterly whether the value of the collateral provided is comparable to the balance of the amount of funds lent and shall demand additional collaterals if necessary. With regards to the aforementioned collateral, if the borrower provides guarantee from individual or corporation with considerable financial capability and credit worthiness as a substitute for the collaterals, the Board of Directors may, referring to the assessment report of the division in charge, consider such guarantee and make a decision ; in the case of corporate guarantee, it is required to review if the guarantor's articles of incorporation provide that the provision of corporate guarantee is allowed.

- (4) Fire insurance shall be procured for each collateral except for land and securities; the insurance limits shall be in principle no less than the replacement cost of the collateral; each insurance policy shall designate the Company as the beneficiary and the title, quantity, location and insurance terms of the insured subject on the insurance policy shall be consistent with the original terms and conditions of the lending of funds made by the Company.

Article 6: The Follow-Up Control Measures of Funds Lent

After each lending has been made, the Finance Division of the Company shall frequently monitor any changes in the borrowers' and guarantors' financial, business and related credit conditions, and any changes in the value of collaterals, and prepare written records of the monitoring results. If there is any significant change, the Finance Division of the Company shall promptly report to the President and related divisions in charge for their timely actions. When the borrower repays its borrowed amount on or before the due date, the relevant guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued. If repayment cannot be made on the due date, the borrower shall apply for a deferred repayment in advance and such defer request shall be submitted to the Board of Directors for approval; otherwise the Company may take enforcement actions against the collaterals or guarantors in accordance of applicable laws for recovery.

Article 7: Additional Guidelines of Lending Funds to Others

1. Before lending funds, the Company shall carefully evaluate whether such lending is in compliance with the Operating Procedures and submit the evaluation results to the Board of Directors for resolution, and shall not authorize any other person to make the decision of lending of funds.

2. The Company's internal auditors shall audit the procedures for lending of funds to others and the implementation thereof no less frequently than each quarter and prepare written audit report accordingly. If there is any material violation of the operating procedures, the auditors shall promptly notify the Audit Committee of the Company in writing.
3. Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limit as set forth in the Operating Procedures as a result of changes of condition, the auditors shall urge the Finance Division to withdraw the excess amount within a specified period and submit a corrective plan to the Audit Committee of the Company and rectify as scheduled under the corrective plans.

Article 8: Procedures for Controlling Fund Lending Made by Subsidiaries

1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall stipulate its operating procedures in accordance with the Operating Procedures and act accordingly.
2. When a Subsidiary lends funds to others, the Subsidiary shall act in accordance with its own "Internal Control Rules" and "Operating Procedures of Fund Lending". The Subsidiary shall also submit to the Company a written report every month summarizing the balance of funds lent, recipients of funds lent, and the term of funds lent in the preceding month by the fifth day of the current month. The internal auditors of the Company shall include the operating specifics of the lending of funds by the Subsidiaries as one of the items to be audited quarterly. If there is any material violation of the Internal Control Rules and/or the Operating Procedures of Fund Lending, the internal auditors of the Company shall promptly notify the Board of Directors and the Audit Committee.
3. If the Subsidiary is not a public company but in the event its amount of funds lent reaches any of the thresholds of public announcement and reporting as set forth in the second paragraph of Article 9, it shall notify the Company on the date of occurrence of the event. The Company shall make the public announcement and reporting accordingly in the designated website in accordance with applicable regulations after being notified of such event.

Article 9: Public Announcement and Reporting Procedures

1. The Finance Division shall report every month the balance of lending of funds made by the Company and its Subsidiaries in the preceding month by the fifth day of the current month to the Stock Affairs Division of the Company together with the amount of sales revenue for monthly public announcement and reporting within the required time period according to applicable regulations.

2. In addition to the monthly public announcement and reporting of the Company's balance of lending of funds, in the event that the balance of funds lent by the Company and its Subsidiaries reaches any of the following thresholds, the Finance Division of the Company shall immediately notify the Stock Affairs Division of the Company and provide relevant materials for the Stock Affairs Division to make the public announcement and reporting within two days commencing from the date of occurrence of such event:
 - (1) The balance of lending of funds lent to others by the Company and its Subsidiaries reaches 20 percent or more of the Company's net worth as stated in the Company's latest financial statements.
 - (2) The balance of funds lent by the Company and its Subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in the Company's latest financial statements.
 - (3) Amount of funds newly lent by the Company or its Subsidiaries exceeds NT\$10,000,000 and reaches 2 percent or more of the Company's net worth as stated in the Company's latest financial statements.
 - (4) After the public announcement and reporting has been made pursuant to any of the preceding items (1)-(3), the balance of funds lent increases by more than 2 percent of the Company's net worth as stated in the Company's latest financial statements.
3. If any of the matters to be publicly announced and reported as specified above is subject to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies", the Company shall make necessary public announcement in accordance with such regulation.

"Date of occurrence" referred to herein shall mean the date of contract signing, date of payment, date of resolution by board of directors, or other date that can determine the counterparty and the amount of the loaning of funds, whichever date is earlier.

Article 10: Penalty Provisions

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

Article 11: Other Matters

After approval by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the

shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.

Appendix 9

Description of Directors Candidates for Important Positions in Other Companies

Name of Independent Director	Positions in Other Companies	
Audrey Tseng	HanchorBio (Cayman)	Director
	AP Biosciences Inc.	Representative of Corporate Director
	Bonraybio Co., Ltd.	Representative of Corporate Director
	T-E Pharma Holding (Cayman)	Director
	Onward Therapeutics SA (Switzerland)	Independent Director

Appendix 10

Delta Electronics, Inc. Director Election Regulations (Translation)

Passed by general shareholders' meeting on March 19, 1988

Amendment passed by general shareholders' meeting on May 16, 2002

Amendment passed by general shareholders' meeting on May 19, 2005

Amendment passed by general shareholders' meeting on June 13, 2008

Amendment passed by general shareholders' meeting on June 24, 2011

Amendment passed by general shareholders' meeting on June 19, 2012

Article 1

These Regulations have been stipulated in accordance with the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies" in achieving fair, neutral, and open election of directors.

Article 2

Unless otherwise specified in applicable laws and regulations and the Company's Articles of Incorporation, the election of the Company's directors (including independent directors) shall be conducted in accordance with these Regulations.

Article 3

When selecting the Company's directors, it should take into consideration the overall composition of the Board of Directors. The members of the Board of Directors must commonly possess 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 number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors.

Article 4

The qualifications of the Company's independent directors must comply with

the competent authority's determination standards; the election of the independent directors shall be subject to the regulations prescribed by the competent authority.

The directors (including independent directors) shall be elected pursuant to the candidates nomination system in Article 192-1 of the Company Law.

Article 5

The Company's directors shall be elected by means of the single open cumulative ballot method. According to relevant laws, each share is entitled to votes equal to the number of directors to be elected, and the number of votes may be used together to elect one person or spread out over several persons. The Board of Directors shall prepare ballots equal to the number of directors to be elected. In addition to affixing the Company's seal on the ballots, each ballot shall bear an elector's attendance card number and number of votes for distribution to the attending shareholders.

Article 6

Candidates for election of the Company's directors shall be elected, with independent directors, non-independent directors elected at the same time but in separately calculated numbers, in sequence starting from those who have received the highest number of votes until the required number of persons specified in the Company's Articles of Incorporation and proposed by the Board of Directors are elected. If two or more persons receive the same number of votes, and resulting in the total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes with others is not present at the meeting, the chairman shall draw a straw on that absent person's behalf.

Article 7

Before the start of an election the chairman shall designate several persons to count ballots and two persons (who should be shareholders) to check ballots to perform relevant duties. The Board of Directors shall prepare a ballot box. Persons designated to check ballots shall open and check the box in front of the meeting before voting begins.

Article 8

If a candidate is a shareholder, electors must clearly fill in the candidate's shareholder number and name in the candidate column of each ballot. If a candidate is not a shareholder, electors must clearly fill in the candidate's name and ID document number. ID document refers to the original copy of the citizens' ID card for domestic natural persons and the original copy of a passport for foreign natural persons. The ID document number shall serve as the person's ID number for the purpose of the election. However, if a candidate is a governmental organization or legal entity, the name of the governmental organization or legal entity (or the name of the government organization and its representative or the name of the legal entity and its representative) must be clearly filled out in the candidate column of the ballot. If there are several representatives, each of the representatives' names must be filled in.

Article 9

A ballot is invalid if any of the following circumstances occur:

1. The elector has failed to use a ballot prepared by the Board of Directors.
2. A blank ballot with no writings has been cast in the ballot box.
3. The writing is unclear and illegible or has been altered.
4. When the candidate is a shareholder, any item of the candidate's name, shareholder's account number, or number of votes allocated has been omitted or altered; or the candidate's name or shareholder's account number does not conform to that in the shareholders register.

If the candidate is not a shareholder, any item of the candidate's name, ID number, or number of votes allocated has been omitted or altered; or the candidate's name or ID number is found not to conform to that on the original documents.

5. The elector has intermixed other text or figures in addition to the candidate's name, shareholder's account number or ID number, and number of votes allocated.
6. The number of candidates on the ballot exceeds the specified number.

Article 10

If the number of votes allocated is less than the total number of votes vested to shareholders, the votes which are not cast shall be deemed to have been forfeited by that shareholder.

Article 11

The ballot box shall be opened in front of the meeting after the completion of voting. The chairman shall announce the names of the elected directors in front of the meeting, or the chairman may appoint a master of ceremonies to do so.

Article 12

The Company's Board of Directors shall issue election notification to each elected director.

Article 13

These Regulations shall be effective from the date they are approved by the shareholders' meeting. The same shall apply in the case of amendments.

Appendix 11

Effect of Issuance of Bonus Shares to be Resolved at this Annual General Shareholders' Meeting on Operating Performance and Earnings per Share

No bonus share distribution is proposed at this Annual General Shareholders' Meeting, and the Company is not required to disclose 2022 financial forecasts according to relevant laws and regulations. Hence, the Company is not required to disclose yearly forecast information.

Appendix 12

Shareholdings of All Directors of the Company

1. In accordance with Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by all directors other than independent directors of the Company shall be 62,341,039.
2. As of the book closure date, the shareholdings of directors recorded in the shareholder register is as follows:

Title	Name	Current shareholdings	
		Shares	Percentage
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	Ping Cheng	55,640,093	2.14%
Director	Simon Chang	903,811	0.03%
Director	Victor Cheng	50,344,764	1.94%
Independent Director	Ji-Ren Lee	0	0.00%
Independent Director	Jack J. T. Huang	0	0.00%
Independent Director	Shyue-Ching Lu	0	0.00%
Independent Director	Rose Tsou	0	0.00%
Shareholdings of all directors		190,558,404	7.33%

Note 1 : As of the book closure date, the number of issued shares of the Company is 2,597,543,329.

Note 2 : The Company has established an Audit Committee, so the provisions on the minimum percentage requirements for the shareholdings of supervisors shall not apply.

Appendix 13

Relevant Information on Proposals and Nomination Made by Shareholders Who Hold 1% or More of the Total Issued Shares of the Company

1. In accordance with Article 172-1 and Article 192-1 of the Company Act, the proposal and nomination accepting period of 2022 Annual General Shareholders' Meeting is from April 1, 2022 to April 11, 2022.
2. Other than the nomination at candidates for a Director and an Independent Director of the Company by the Board of Directors, no proposal or nomination are raised by shareholders holding 1% or more of the total number of issued shares of the Company during the above period.